20400

WORKSHOP

PROJECT NOS. 20400 & 22165

PUBLIC UTILITY COMMISSION

MONDAY, MAY 15, 2000

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TRANSCRIPT OF PROCEEDINGS

BEFORE THE

PUBLIC UTILITY COMMISSION OF TEXAS

AUSTIN, TEXAS

SECTION 271 COMPLIANCE MONITORING OF SOUTHWESTERN BELL TELEPHONE COMPANY OF TEXAS	PROJECT NO. 20400
IMPLEMENTATION OF DOCKET NOS. 20226 AND 20272	PROJECT NO. 22165

WORKSHOP

MONDAY, MAY 15, 2000

BE IT REMEMBERED THAT AT 9:45 a.m., on

Monday, the 15th day of May 2000, the above-entitled matter came on for hearing at the Public Utility Commission of Texas, 1701 North Congress Avenue, Austin, Texas 78701, before JOHN MASON, Office of Regulatory Affairs; and the following proceedings were reported by Lou Ray, Janis Simon and Nancy Salinas, Certified Shorthand Reporters of:

PROCEEDINGS

MONDAY, MAY 15, 2000

(9:45 A.M.)

MR. MASON: We're on the record and this is Docket 20400 DSL working group, a continuation of the last meeting we had several weeks ago. We will take up some of the issues that we left off last time, but, first, we'll get appearances of everybody up here, the experts at the table. And then if anybody else wants to talk later, please identify yourself for the record.

MS. CHAPMAN: This is Carol Chapman with Southwestern Bell.

MS. LOPEZ: Ann Lopez, Rhythms Links.

MR. BOWEN: Steve Bowen, Rhythms Links.

MS. GENTRY: Jo Gentry, IP Communications.

MS. LEWANDOWSKI: Jessica Lewandowski NorthPoint Communications.

MR. DRAKE: William Drake, MCIWorldCom.

MS. McCALL: Cindy McCall,

MCIWorldCom.

MR. GUNNELS: Mike Gunnels, AT&T.

MR. SIEGEL: Howard Siegel, IP Communications.

MS. HAMM: Kim Hamm, Southwestern Bell.

MS. STRAW: Elaine Straw, (inaudible) for NorthPoint, Southwestern Bell Ameritech and -- pardon me, not Ameritech and NorthPoint -- Southwestern Bell and Pacific Bell.

MR. SWEARINGIN: Tim Swearingin, Southwestern Bell.

MR. BORDERS: Dave Borders, Southwestern Bell.

MR. LONG: Randy Long, Southwestern Bell.

MR. MASON: Okay. And I'm John Mason with Office of Regulatory Affairs.

MR. SRINIVASA: I'm Nara Srinivasa with the Telecom Industry Analysis division.

MR. MASON: And I think Nara wanted to start off with one of the issues we left off last time, which is looking at ISDN and the standards regarding BRI loop and things of

that nature. I don't know if you want to --

MR. SRINIVASA: Right. Last time we talked about some issues concerning a certain brand of DLCs that are not compatible for IDSL, and I believe that you were going to get with the vendor or at least bring a representative of Marconi Systems -- I believe that's who the vendor is. Is that correct?

MR. BORDERS: Yes, sir.

MR. SRINIVASA: And to let us know why or what other problems and how they can rectified. Can you give me an update on that?

MR. BORDERS: Okay. We weren't able to get a representative from the manufacturer of Marconi, but I have been -- I received a document from where he-- they stress that ISDN and BRI -- I'm sorry -- Dave Borders Southwestern Bell Telephone.

They stress that they do provide an ISDN BRI loop. It has two B channels that have got 64 kilobyte and one D channel for 16 kilobyte, and that it is capable of providing ISDN BRI.

MR. SRINIVASA: Last time the discussion surrounded, you know, the IDSL

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provision using those same BRI loops. I believe our understanding -- my understanding is at the time they said the first four slots of that DLC could not be used and there some slots even at the end that could not be used for providing IDSL. Apparently it takes three slots, time slots, of that DLC to provide the ISDN. You could provide the BRI ISDN using that various -- IDSL is provided they couldn't realize the full 144 kilobytes per second speed or the 128 kilobytes per second speed.

MR. BORDERS: Well, the problem results when the three channels -- you've got two 64 and one 16 when they're combined into 144. The first four slots of the Marconi will not support that application.

Now the 24th slot -- now, this is on each line card chip. You have 24 slots on each line card. The 24th slot will not support any ISDN. So we don't -- we've blocked it out and we don't assigned it. However, we have not had a problem provisioning basic ISDN that transmits at 128 on the Marconi first four slots.

MR. SRINIVASA: Is that unique to Marconi -- I'm trying to find out if you have

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other brands of DLCs deployed in your network. If someone uses the first four slots of other DLC manufacturers by a different vendor, do they encounter the same problem?

MR. BORDERS: Well, one of the things you have to do is class the Marconi Disc*s, and that's a next generation digital loop carrier. It uses separate paths and time slot management for the provisioning of its loops.

Now, it's true that some older versions of DLC have -- are compatible and there are no problems with any of the slots. However, you know, there are other manufacturers besides Marconi. Lucent's new -- Lightspan's new one -- there's three or four of them. They all don't come to mind. But they all use the same technology, so there should be the same problem.

MR. SRINIVASA: The first four slots of the 24 slots not being --

MR. BORDERS: Well, I can't say where exactly because what happens is on the first four slots of each line card shelf, the Marconi uses some of the bandwidth to do -- you know, they use them for administration of the

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shelf, which is completely allowable under the Telcordia practice 000397.

MR. SRINIVASA: So it's like the service order channel for management of the network itself. You monitor and then obtain --

MR. BORDERS: Yes, sir.

MR. SRINIVASA: -- network management information -- certain packets or certain slots. Is that correct?

MR. BORDERS: Correct. And what happens is that when you -- when they go to band the all -- three together, the D channel does not -- it's got a time differentiation. So you can't -- you can't send data over a bonded together signal for the 144 kilobyte. But you can use IDSL at 128.

MR. SRINIVASA: Can some of the CLECs respond and see if that's your understanding? Or, you know, what I heard was even for Lucent Lightspan the same problem is there. The first four slots could not be used similar to Marconi.

MS. GENTRY: Jo Gentry, IP. Let me ask some clarifying questions, because I understand much of what was shared just a moment

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ago, but I'm still not clear.

How do I order an unbundled loop that I intend to use for DSL when the technology turns out to be a Disc*s DLC? I don't know what the technology is. I'm just trying to order a UNE and, you know, I'm not necessarily the one that wants to tell you which slots to do where. That's something that if you're going to need to change it out but I need to have access to that loop, how is that obtained?

MS. CHAPMAN: Right. And this is that something that we weren't aware that this was going to be an issue until the CLECs started ordering -- oh, this is Carol Chapman.

When we first started offering this, we weren't aware that this was going to be an issue until the CLECs started ordering in some volume and we started seeing that it was an issue. We do not -- Southwestern Bell does not deploy an IDSL technology, so we had not run into this situation until after the CLECs started running into it.

As a result, where initially we only had the BRI offering and CLECs could order BRI loop and either provision an ISDN service or

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IDSL service, since they have not been able to be as successful as they would like provisioning IDSL over the BRI, we are undertaking the development of a new UNE that would be specific to BRI and that would be assigned either -- we're working on there's a channel card out there right now that would allow those first four channels of the Disc*s system to be used and to transmit that 144 bonded signal. We're testing that right now and are hopeful to be able to use that.

But if not, even if that were not successful there, we would -- with the new offering we would be able to just not assign it to those first four channels. Of course, then we wouldn't be able to get full use of our system, so we're hopeful that the channel card will work. That's why we're developing a new UNE that's specific to IDSL so that since there are these differences that we'll be able to assign it correctly. So if the CLEC wants a loop for ISDN, then we will assign it to facilities that will support that ISDN signal. But if they're wanting it for IDSL, then we will assign it appropriately for that, which

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currently there's no differentiation in the way they order it or the way we provision it, which that's really what's causing, I think, the problem.

MR. SRINIVASA: So there is a channel card available to make those four slots --

MS. CHAPMAN: Right.

MR. SRINIVASA: -- compatible with IDSL provision. For what speed did you say? It's only up to 128 or --

MS. CHAPMAN: No, it will allow the 144 and we're testing it right now. So we're testing it for network compatibility and making sure everything is working right. But we are testing it right now and hopefully we'll be able to offer that very shortly.

MR. SRINIVASA: Okay. Until that time, the only thing -- if someone orders a loop, you're going to say that that loop happens to be through the first four slots, therefore, it can't be provisioned?

MS. CHAPMAN: Well, what we have been doing is when -- like I said, right now, the CLECs order a two-wire digital loop and we

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don't know what they're using it for. So if it is assigned to those first four channels and we turn it over to them that way and then the CLEC let's us know, we've been doing workarounds, we've been either moving it to other channels on that same Disc*s system or if there's free copper we may move it onto copper. So we've been doing some workarounds to try and enable them to get what they're needing, but it's obviously very cumbersome. In fact, we're having to redesign the loop, reassign the loop, you know, sometimes actually do field work. So it's not a clean solution. We definitely want to get something where they can order it up front the way they want it and we can provision it the first time the way that will work for them.

MR. SRINIVASA: How do you communicate in the interim until you decide that there's a channel card? How do you communicate that information to them?

MS. CHAPMAN: Let me get Tim Swearingin up here from the LOC. He actually works those issues.

MR. SWEARINGIN: Tim Swearingin

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with Southwestern Bell. It's the policy in the local operation center now to make every effort to identify these first four slot restrictions at the time of provisioning. When we do recognize this situation, we make every effort to do a cutaround at that time before the service is ever provisioned.

MR. SRINIVASA: So, for example, say there is an existing customer that has a BRI ISDN service from Southwestern Bell and somehow a CLEC wins that customer and that customer wants to switch over to IDSL. Apparently that customer had ISDN service. There's no conditioning involved. And if the ISDN in service that was provisioned to that end-use customer was using the first four slots, do you inform them saying that by using the first four slots, therefore, you need to wait longer or you still finish the provisioning within the time --

MR. SWEARINGIN: No, we make every effort to provision that circuit on or before the due date.

MR. SRINIVASA: Since there's no conditioning needed, it's three- to five-day interval. It's still --

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MR. SWEARINGIN: Three-day interval, yes, sir.
MS. GENTRY: Jo Gentry, IP Communications. The Disc*s issue is not a new issue. We've been -- we "CLECs" have been experiencing that with US West for a year-and-a-half, almost two years. They have significant quantities deployed there. So it's not like this was just found or the workaround is something that's brand new and has to be created. The Company has worked with the ILECs, showing them how to change these cards out. And again, those meetings took place a couple of years ago.
I'm still kind of at a loss to know what do I do today. I mean, they'll kind of work with me. They'll kind of find out. But I have a customer. I don't know what the plant is. I need to have some more assurance that I'm going to be able to order these. Because each one becomes an individual case that I don't know what's going on, everything is lost in the process until eventually a few days later they figure out what to do. There's no assurance that they have a process in place to go change

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out the cards.
Now, I appreciate that they need to have a more efficient way going forward and working with the vendors to create different kinds of card capabilities. But we're here right now, today. This is not a technology that was just developed. It's been out for years.
MR. SWEARINGIN: Yes, and if I might respond to that, there is actually an unwritten policy in local operations center within Southwestern Bell that we will do these cutarounds.
MR. BORDERS: Dave Borders, Southwestern Bell. Right now the cards are not available. They're in a trial stage. I don't know what cards you're referring to because these cards are -- we're testing them now. They've just come onto the market.
MS. GENTRY: Jo Gentry again. I do know for a fact that US West has been provisioning services through Disc*s for quite some time. It is not near as painful as it's been experienced here with Southwestern Bell.
You know, again, it was the company in North Dallas that worked the different technical

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engineers from the CLECs through how to understand the process and then work with US West. I guess -- I understand that there's a new generation of card out. But there are other means in the interim to still provision these circuits.
So it's good to keep working for the new process, but you have something in place today that can provide these services.
MS. CHAPMAN: And the --
MR. LEAHY: Well, I sorry, this is Tim Leahy with Southwestern Bell, attorney representing Southwestern Bell.
If Ms. Gentry has access to a solution -- documented solution provided by US West, perhaps she can share that.
MS. GENTRY: I can give you names at US West that can work you through that -- I'm not going to be the technical SME between the two. I can give you contacts.
MR. LEAHY: Do you have possession or actual knowledge of their workaround, and if you do, could you share that? Right now you've told us that there have been a lot discussions with US West. Do you have any actual

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documentation --
MS. GENTRY: Tim -- Mr. Leahy, I don't bring those kind of documents. And on the same hand I am setting you up that your engineers talked to the engineers at the plant or talked to US West to see how they've done the workaround. The fact that you're asking me to be that go-between I think is an unnecessary step.
I'm happy to give you contacts at US West. We can also find the contacts that worked at the manufacturer, the vendor that created these processes --
MR. LEAHY: You don't have any --
MS. GENTRY: I have nothing with me today to give that to you. We offered --
MR. LEAHY: Do you have any such documentation that we could review --
MR. MASON: Okay. Let's -- I appreciate -- we will ask if you do have any documentation, please provide that.
MS. GENTZ: Thank you.
MR. SRINIVASA: And also if you have contact information for the vendor --
MS. LOPEZ: Ann Lopez, Rhythms --

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MS. GENTZ: Yes. I'd be happy to give you all the contact names --
MS. LOPEZ: This is --
MS. CHAPMAN: Carol Chapman again. The whole issue, though, around doing a workaround requires that we know up front if the CLEC intends to use the loop for IDSL or ISDN, which currently we don't because they're ordered over the same loop. So regardless of which workaround, that's a reasoning for wanting a new loop.
Covad at the last session has indicated that they don't want us to have a new loop. If we don't have a new loop type, then we can't provision them differently. If it's the same loop, we have to provision them the same way.
So, you know, we're kind of caught in the middle here. We want to have a new loop offering. We think that's the best thing so that we can do a workaround, whether it is assigning it differently or whether it is using the channel card. That's what we're wanting to do. We see that as being a need in order to provision these services better. But then we were getting pushed back before that, "No, we

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didn't need a new loop."
MR. SRINIVASA: Well, in the scenario that I -- the example I gave you, you know, current customer having an ISDN service from Southwestern Bell and they move to a CLEC --
MS. CHAPMAN: Right.
MR. SRINIVASA: -- and now they want IDSL. If that happens to be on the first four slots, if you're saying that your option is that you want to give them a new loop, does it mean that they need to order that and may need conditioning, they may have to wait ten days?
MS. CHAPMAN: Well, actually, on the BRI loop that we have today, they get the three days period. They're not -- they don't have the five to ten days. So even if we have to do removal of load coil and repeaters, which that's performance measure issues so we won't bring that all into this --
MR. SRINIVASA: No, no, no. What I was saying is even if the type of the loop -- if you say that it's a new loop, that means it will be a conditioning. I'm not saying all loops need -- require conditioning. Even if

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conditioning is needed, that means that they have to order conditioning and then they have to pay for that, even though the BRI loop, you know, if they have -- if it wasn't the first four slots, they would have gotten it within three days without having to pay for the conditioning.
MS. CHAPMAN: We would anticipate -- if you're talking about how we're going to price the loop, I would think we would price the conditioning in a similar manner as the BRI where the conditioning is an average since it's something that you have to have -- we had to, you know, add the repeaters or remove load coil. It's not --
MR. SRINIVASA: So it will be the same two-wire digital loop rate? So there is no additional --
MS. CHAPMAN: I don't know what the rates are until the we look at the -- until we actually have the loop so we know if there's other factors involved. So there could be some differences, but I would think it would be a similar price structure to the BRI.
MR. SRINIVASA: Okay. So the

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provisioning time line is the same as --
MS. CHAPMAN: I would propose having similar time lines to the xDSL loop because of the fact that we do have conditioning that we have to do on these loops. We are in the -- if there are load coils, we do have to physically remove load coils and in many cases add repeaters, especially since, frequently, the reason CLECs are ordering loop for IDSL is because of the fact it's a longer loop and that they can't serve that customer through the SDSLs or the ADSLs or any of the faster DSL technologies. Usually IDSL is kind of a last choice DSL because it's slower. But it can serve customers who are much farther away. So we do frequently have to add repeaters to these loops or remove load coils or sometimes -- or both. So I would think it would be more appropriate to have the five- and ten-day intervals.
MR. SRINIVASA: Right. This is only an interim solution in the event that the end-use customer is served through a DISC*S.
MS. CHAPMAN: Right.
MR. SRINIVASA: So when the card

comes in, this won't be, but the issue is we're going to find out that the cards are already available or --

MS. CHAPMAN: We are testing that card right now. So, hopefully, if the tests work and everything goes smoothly, then we should be able to offer a loop that would utilize that card in the near future.

MR. SRINIVASA: But when you're (inaudible) to test something similar to that, apparently a manufacturer has provided you a card, it's not a prototype design, you do have a card, but how long does it take for you to -- you know, complete the test and obtain some results whether they're successful or not?

MR. BORDERS: Well, the card is not -- or has not been manufactured yet. So we are dealing with a new card. But exactly for the length of time, I can't tell you that we're going to test the card.

MS. LOPEZ: Ann Lopez, Rhythms. I have a name and a contact, a saleswoman from Marconi. When this issue first came up at Rhythms, she called me back right away. She told me that cards were available, that they had

already been deployed and in use. So I'll gladly provide that information and, you know, have her contact SBC. I know, Tim, would it be you or who would I contact?

MR. SWEARINGIN: No. This is Tim Swearingin with Southwestern Bell. And I understand that our technical people in Dallas are addressing this and they -- I can't really speak to -- they may actually even have a card in the shop. I'm like, "Dave, I don't have that information available to me." But they are working directly with Marconi.

And in answer to Ms. Gentry, we've worked with representatives of Marconi also, and they've not been able to give us any interim solution other than to avoid those first four slots and then the possible card.

MS. GENTRY: Jo Gentry, IP. Is it SWBT's position that they will not use that as an interim solution or interim opportunity of avoiding those first four slots until you've got the card that you find to be acceptable to you? I mean, I guess my concern is I have customers I need to provision now. I don't know if it's on DISC*S. You will. I want to be able to find a

way of serving that customer.

What is Southwestern Bell's position? Are you not going to provision that in the manner, the "workaround" as you call it, which utilizes more slots than the utopia that we'd like to, you know, originate on.

MS. CHAPMAN: Well, no, we have been --

MS. GENTRY: -- of provisioning those, do you workaround -- those are the ones that are being very painfully provisioned --

MS. CHAPMAN: Well, yes. But, now, we would -- if the test -- if the test with the Marconi card does not work as we're hoping, we will still roll out -- we still intend to roll out a new loop offering that would just be assigned differently. So either way we want to roll out an offering that you can order it up front, tell us "I want this for IDSL," and we provision it in a manner that would support that bonded 144 signal. So if that means avoiding those first four channels, then that's what we'll do.

MS. GENTZ: That takes us back to the issue, though, without getting into the

literal price. The unbundled DSL loop is approximately $18 and slight pennies; whereas the digital loop, which is what I believe you're pushing the BRI to, is a digital loop is $48. So you're talking two-and-a-half times or something like that the cost. That makes it a very undesirable offering.

MS. CHAPMAN: Wait. I guess I'm getting a little confused. The BRI -- it has the same price, the BRI loop and -- what are you saying is a different pricing?

MS. GENTRY: Are you proposing that the two-wire unbundled DSL loop, will the offering that you're talking about creating fall into that price range or will it be your two-wire digital.

MS. CHAPMAN: Well, currently BRI is ordered as a two-wire digital loop. And this would be priced in a similar manner to the two-wire digital loop because it is a very, very similar loop other than the fact that if it's -- a Disc*s system is involved will have a different assignment criteria. But other than that it will be identical to the two-wire digital loop.

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MR. SRINIVASA: My understanding is as part of the arbitration award, the interim rates were set for the two-wire analog xDSL and two-wire digital and subject to true-up. It's on an interim basis. So depending -- the cost study should address that issue. Is that correct?

MS. CHAPMAN: Yes, that is correct.

MR. SRINIVASA: Is that your understanding?

UNIDEN. SPEAKER: Yes.

MR. BOWEN: Nara, Steve Bowen for Rhythms.

I want to come back to a point that I think I heard at the start -- I think in response to one of your questions -- and that's this problem is present with all DLCs. That's not our understanding.

MS. CHAPMAN: No, no.

MR. BOWEN: Our understanding is that it's only for the Marconi Disc*s system that this is a problem.

MR. BORDERS: Dave Borders, Southwestern Bell. We have the Disc*s system

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deployed in Southwestern Bell. But it could exist -- I'm not saying it does -- but it could exist not in -- I didn't say DLC. I said next generation DLC, which is the basis that the DISC*S is built upon.

MR. BOWEN: Well, even with that caveat, I mean, our understanding is that, for example, I know that under Project Pronto SBC is rolling a whole bunch of Lightspan NG DLCs. Our understanding is that that is not a problem with the Alcatel (phonetic) product. I mean, Alcatel bought Lightspan from DSC a year-and-a-half ago or so. Out understanding is that that is not a problem with the plug-in cards for what will be in the new forward-looking serving technology in Texas and elsewhere for SBC.

MR. BORDERS: Well, the thing is I can't address that, but I can say that the -- if they hold to the standard, the Telcordia standard, in 397 then -- and 398, then they will have the -- use the same technology as the Disc*s.

MR. BOWEN: Well, I guess this is based on kind of actual experience in the real world. We're only seeing this with Disc*s

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systems. We're not seeing it -- there are many other products out there and you guys have rolled -- I think you have some AFC equipment out there, UMC 1000s and so forth. I agree that you have Disc*s out there in the field right now in Texas and elsewhere. But you also have other products, and our understanding is this is only a problem with the Marconi Disc*s system.

If that's right, what occurs to me is that it wouldn't make a whole lot of sense to me to develop a whole new UNE loop product just because of a single serving technology issue that may be addressed very quickly. And beyond that, even with the problem -- even before the cards come out, as we've already talked about, I think the solution there is this manual reassignment to avoid those first four slots. I mean, obviously the rest of the slots work okay. And it's really -- I mean the interim fix I think is this somewhat (inaudible) and, you know, obviously involving some manual effort, but it's really an assignment issue. And we can -- you know, we can certainly find a way to work with the assignment folks at SWBT to let them know that, yes, we in fact are going to be

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using this for IDSL and not for ISDN.

I guess my biggest fear is what I think you were hinting at, which is what happens if you have an ISDN service used as ISDN right now provisioned over a Marconi DISC*S system and it's in the first four slots. What happens when we win that customer for IDSL? If you -- if you go to a different kind of solution, we could face, you know, not only a BRI-type loop rate, but also conditioning charges on top of that. And, frankly, the reason those rates are so much higher is because of the conditioning and addition of adtran repeaters when needed to be able to support ISDN over long distances. So that rate already includes in it all the so-called conditioning and all of the repeatering necessary to support ISDN and that's all we need to support IDSL. So I'm very afraid that, you know, a so-called new loop type for IDSL might in fact end up with double counting, which would be very bad.

MS. CHAPMAN: No. What our intention was -- if I didn't say this clearly earlier -- our intention would be to price it in the same manner as the two-wire digital loop and

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that would mean not charging separately for conditioning but to have the conditioning built into the price of the loop in the same manner as the BRI loop because you can't provision it without doing the conditioning. It's one of those things that we can't meet the SPECs unless we add the repeaters or whatever. It's mandatory when you provision that loop. So we would anticipate pricing it in the same manner and not having separate conditioning charges like we do for xDSL loops where that's optional on the CLECs part whether or not they want the conditioning for the loop. So you wouldn't get a double jeopardy that way.

MR. BOWEN: Well, that part is good. I guess I'm still concerned that it's, you know, using a nuclear weapon to swat a fly. That is, it's a problem that is with some Legacy equipment that is only some of the slots in that one manufacturers' equipment, that to me doesn't call for going all the way and developing and costing and pricing a whole new type of UNE. I think the fix -- the interim fix is reassign those to the slots that work, and the more permanent fix is, you know, get these cards out

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of the labs and into use. That will solve --

MR. SRINIVASA: Let me ask you this: Reassigning of the slots -- if the Marconi DLC is the part out there and all the slots are full -- I mean everybody has got service and only the customer that's got the first four slots decides to go to a CLEC and wants the IDSL. They can't move to any other slots. If they need to move to any other slots, there will be a service interruption for somebody else to swap.

MR. BOWEN: This is really kind of a -- I think a more complicated -- not even that much more complicated version -- of a line and station transfer. I mean, you know, the first slots will support voice services and so, you know, you can do an LST even if the whole channel bank is full right now and you happen to have ISDN provision in one of those first four slots -- true ISDN, you know, 2B plus DI flavor of it.

I don't see any reason why you can't -- part of the manual workaround -- I think they're contemplating and they're already are doing is if you're full you've got to flip a voice

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service for an ISDN service.

MS. CHAPMAN: And I guess there's two issues there. One, with the channel card it does require that we know going in which service they're -- is going to be provisioned over the loop, whether it's ISDN or IDSL. The channel card is, I guess, programmed -- for lack of a better word -- differently depending on what technology is going over that. So that would require that we provisioned it a little -- we would provision it differently using a different loop type.

And the other issue, obviously, is we're not willing to give up a third of our assignment capabilities across the board for all our BRI services when that BRI service is priced and provisioned and based on the fact that we have all those facilities available. That leaves that full third of that Disc*s system open. It will cause us CF problems and other issues if all of the -- you know, even the ISDN. If we don't have a separate loop type and even all our BRI for ISDN would be provisioned over those last channels, not the first four. I mean, we wouldn't be able to provision any of

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the CLECs' offerings over those first four channels. That would lead to disparity in CS and lack of facilities issues between our ISDN offering for retail and our BRI offering. We'd be hitting our performance measures. I mean, it has a lot of impacts. So it's not quite as simple as it would seem just not use them for CLEC orders.

So not using them for IDSL orders if the Marconi card doesn't work, that does make sense because we don't have an analog. But doing it across the board I don't think we would be agreeable to.

MR. SRINIVASA: Let me ask you this: Apparently this Marconi system, this problem, is because you have already deployed out there some of these Marconi channel banks out there in the field. Now, on a going-forward basis, are you going back and deploying more Marconis?

MR. BORDERS: No, sir, we're not. We're changing to the different NG DLC as our next. But you've got to understand, this is not -- this is not a problem as far as, you know, our product is 128 and it -- our product

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works.
When the problem -- and IDSL does not have to have 144. IDSL can run at 128. And, you know, this is where -- it is a problem with the system because it doesn't conform to their technology. But it's not a problem with the system because it was deployed before their technology.
MR. SRINIVASA: Okay. Any other inputs on this issue from --
MS. LEWANDOWSKI: Jessica Lewandowski, NorthPoint Communications. I just wanted to state that the problem that NorthPoint has is -- on this issue is related to the fact that it's difficult for us to find out pre sending the loop whether there's -- good information about whether there is copper or fiber. And what we have in California works very well because we send the order -- if we sent it as S and at such time that Pacific Bell finds out there's only fiber, they just send us back a message saying supplement for IDSL and it goes through.
The problem with Southwestern Bell's current offer is that they have two separate

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products, and that when the order gets rejected we have to kind of restart the whole provisioning process over again. It gets very lengthened. So what we've been looking to Southwestern Bell for is some easy way to combat the way that they have the IDSL product kind of sectioned off so that you either get it via copper or fiber and it's very separate and those paths don't cross very easily.
And NorthPoint would be willing to look at a new product type, although I think that some of the pricing issues are going to be difficult. But we've expressed to them that, you know, show us your proposal and we'll take it under consideration. If you can create a process with a new product and a pricing structure that we like, we'd be willing to take a look at it.
I mean, as you know Rhythms has stated it, it might be going overboard and we don't certainly want to pay for them to develop the whole new product. We consider this a process issue right now.
MR. SRINIVASA: Okay.
MS. LOPEZ: I just wanted to state

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that when we order IDSL, it's on the order itself. So to be able to identify it when we put in the NC/NCI codes, that's on the order, that's identifying that order as IDSL.
MS. CHAPMAN: It identifies it as a two-wire digital loop. It is identical to a two-wire digital loop NC/NCI code. There's no difference between --
MS. LOPEZ: But we also show the PSD mask which is required by Southwestern Bell for tracking --
MS. CHAPMAN: No, you don't on the two-wire digital loop. On a two-wire digital loop you don't order it -- there's no difference in the NC/NCI codes which is where you would show PSD mask.
MS. LOPEZ: On the orders we do identify, and Jessica --
MR. SRINIVASA: Well, we're going to get to that issue. For inventory purposes, you still need to because in the future we may have to -- you know, we don't know what kind of impact is going to have on the spectrum management --
MS. LEWANDOWSKI: Jess Lewandowski

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for NorthPoint. And this is one of the difficult things. We've offered to Southwestern Bell that we would put the PSD mask in remarks or an IDSL in comment and remarks, and Southwestern Bell asked us not to put any information in the remarks section because they're not able to flow it through their system.
They've stated to NorthPoint that if we order ISDN, we're going to get ISDN and they're not -- there's some kind of unwritten policy in the LOC, but we still have problems with some Southwestern Bell folks who are not in the loop about the unwritten policy. So they haven't been willing to take that information, so I'm not quite -- this is the process issue that I'm talking about.
MS. HAMM: Kim Hamm. Southwestern Bell -- to speak to that on the LSRs, the NC/NCI code designates it's a BRI loop. It does not designate any of the IDSL specifics from the NC/NCI codes, just to verify that. Some of the CLECs do put in their remarks that they want IDSL. However, this is a product that we've achieved flow-through, meaning that that order

comes to us and that order is mechanically generated so that, hopefully, no human has to touch that order. It flows through the system and is provisioned.

So the mechanical system does not read the remarks. So if the CLEC puts that they want IDSL because they've ordered a BRI loop, they get provisioned and ordered just like a BRI loop.

MS. CHAPMAN: Right. And also once they actually -- even if we did something different on the service order, the way it's provisioned is it flows through our internal backend systems the same way through LFACS, you know, through our systems. It's reading those NC/NCI codes. It's reading those codes that are on the service order that you put on the LSR.

The remarks section, that's something that we can put text in that if somebody happens to actually physically look at the order could read. But as far as how the order is provisioned, how it gets assigned, that's done for the most part automatically based on those NC/NCI codes, which is why we were wanting a new offering so that we can have flow-through.

Because, you know, we're getting it on both sides. We want to have flow-through and everyone recognizes it's very important, it minimizes errors, it makes everything more efficient both for the Southwestern Bell and for the CLECs. And in order to do that, we have to know based on not remarks but NC/NCI codes through a product offering what the definition of that product is, what its physical characteristics look like, how we should assign it, how we should provision it, based on that. And that's the whole reason that we're wanting a product offering so we can have a different definition, so that when we get the order we type it a little differently, we assign it differently, if it needs to be designed we may design it just a little differently so that it meets all those specifications.

Having an existing offering that we're just having to manually go in and do that is not a permanent solution. That's something we're doing now because in the interest of allowing the CLECs to be able to offer their customers the service that they want to offer. We're doing a workaround to work around the fact that

we do not have a separate product. We have this one product. We're provisioning it the way we've always provisioned that product, the way it was designed, the way it was offered. It's not achieving the level of speed that they're wanting. It's not achieving the kind of service that they want to provide. So that's why we want to develop a new offering so that we can give them that.

MR. SRINIVASA: Well, let me clarify something. So if they fill out an LSR for a BRI loop using the NC/NCI codes, you don't know whether it's going to their ISDN circuit switch or if it's going to their DSLAM to provide IDSL. You have no idea of that?

MS. CHAPMAN: That's correct.

MR. SRINIVASA: Unless they ordered like a two-wire digital DSL loop and identify it -- is that PSD mask 3 for IDSL?

MS. CHAPMAN: It's one. If they order the copper -- that would be the copper only version. If they ordered that, then we would know. But if they're ordering a BRI, which generally they're ordering because there's not copper.

MR. SRINIVASA: So you don't know for sure whether it's going to their switch -- someone who as got a switch, an ISDN switch, or if it's going to a DSLAM for the packet IDSL handling?

MS. CHAPMAN: That's right. Although, like they said, they could put something in the remarks, although this is completely automated. So if they order it electronically, a service rep never is going to even see this order. It's going to go automatically and flow our -- all our systems.

MR. BOWEN: Well, again, it seems to me at least that I keep hearing "I need to develop a new UNE for this." This is a Legacy problem that I hear is almost solved even for the Legacy technology, that is the Marconi Disc*s system. It seems to me that it would be much more efficient to solve the problem with cards that would actually support the kind of service that we're talking about for this one serving technology, the Marconi technology. Once you solve that, then, of course, it will flow through because you can assign automatically.

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Until then, I think, you know, at least half the time, you know, we order an IDSL, you know, two-wire digital loop and it works. Because it's been assigned, as the assignment process logic works, randomly to a card that isn't in the first four slots.

MR. SRINIVASA: Assuming that the Marconi system gets worked out and you order a BRI loop --

MS. CHAPMAN: It still won't --

MR. SRINIVASA: Well, let me finish.

MR. BOWEN: Two-wire digital, yes.

MR. SRINIVASA: Excuse me, two-wire digital loop. In that you would identify PSD mask when you order that. Right?

MS. CHAPMAN: Yes.

MR. SRINIVASA: So they will keep track of all the --

MR. BOWEN: Yeah, that, you know, we identify. Well, the NC/NCI code -- the mask, I believe, is the same or very close to it for IDSLs as for ISDN. So that, you know, it's not going to break anything any more than anything else would. Nothing is going to break anyway,

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but, you know, ISDN has been a known quantity out there for a long time.

MR. SRINIVASA: Right. Well, at least they are obligated to keep track -- keep an inventory of different brands of DSLs that are being offered.

MR. BOWEN: They are. They are. This will track into the PSD mask which I believe, as I said, is the same for both ISDN and IDSL.

MS. CHAPMAN: And I guess again, to your point, if the Marconi card works the way we're hoping, you would still need to tell us the different NC/NCI code that you're wanting to provision IDSL. Other wise, the way the card works, is you program it either to support ISDN or IDSL. You have to actually send it some sort of logic for the circuit.

So if you didn't tell us, it would still be probably defaulted to IDSL -- ISDN. Or if it was defaulted to IDSL, then if we try to provision ISDN over it, it wouldn't work. So we would still need to have a separate UNE in order for this to work. We're still going to need to know which technology it's going to be

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provisioned over there so that we can assign it and design the loop properly.

MR. BOWEN: Even if I grant that, we still don't agree that you need a separate UNE. That is, what came out of the arbitration was, you know, you've got one kind of loop for everything besides two-wire digital type services and you've another kind of loop for that. This is simply a question of initial assignment. You aren't going to maintain it any differently. It has the same specifications in terms of loss and so forth as ISDN does. You don't need a separate loop type for -- even with this part that you have to select one serving arrangement versus the other, this is simply an initial assignment kind of issue.

MS. CHAPMAN: Well, it's not just an initial assignment. I mean, you have different testing issues with the 144 bonded signal. You have different issues. It is -- actually, physically, has to be provisioned differently when it's going over that channel.

MR. BOWEN: -- different testing issues. I don't understand that at all.

MS. CHAPMAN: Well, whether or not

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we can -- on a 128 we may be able to validate the 128 ISDN signal, but we may not be able to validate a 144 signal because it's --

MR. BOWEN: -- guarantee it --

MS. CHAPMAN: No, we don't guarantee, which is another point. We don't guarantee a speed and you're getting 64 now, but we know that that's not what you want.

MR. BOWEN: But what I'm saying testing is not -- you going to test achievable through-put. You're going to test lost parameters across that circuit. That's the SPECs that you test to that you guaranteed us. You're going to guarantee no more than xDB loss at this frequency. That's the ISDN --

MR. SRINIVASA: Let me ask you this: If there's a repeater involved -- what I mean by repeater it's a regenerator --

MR. BOWEN: Right.

MR. SRINIVASA: It's recreating the pulses. Are they just testing it for the loss or do they have to do some kind of (inaudible) testing like ISDN 2b plus D --

MR. BOWEN: That could be a BDR test as well. But there certainly is no

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through-put test. That is, nobody can -- we can test for through-put at our end of the pipe. And we know if we're achieving, you know, 64, 128 or 144. We can tell that from our end.

They have never told us that they will give us a two-wire digital loop that will support any particular through-put rate at that part of the SPECs of that loop type.

So the testing thing is, you know, we're not asking them to all of a sudden develop a new SPEC that guarantees that we have anything as long as they comply with the ISDN SPECs and give us what we're asking for. We'll test our through-put. We just want them to give us a loop that works out beyond 18,000 or 20,000 feet. We agree that these kinds of loops are used when you can't use other kinds of DSL because they tend to be on longer copper loops, so they tend to be behind a DLC that's not the new next generation.

MR. SRINIVASA: See, what they don't know is when a BRI loop is ordered, they don't know for sure if it's going to a circuit-switched ISDN offering or to a packet switched IDSL alignment.

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MR. BOWEN: Right. We can tell them that, though.

MR. SRINIVASA: That's only in the LSR you provide that information?

MR. BOWEN: That is the way -- we can do it in the remarks right now. It is possible to do it in a mechanized way as well either by the assignment of new NC/NCI code for that, or some other mechanized way.

But like I said, this problem is only occasional. It's irritating but it's occasional. And it will become less so as they improve their technology.

MR. SRINIVASA: Right. See, there's a switched ISDN offering -- say, for example, AT&T is cashing or some other features that may be associated with that. Now, if they're deployed out there -- you know, if there's a repeater, if they know that someone else is offering through their ISDN switch they need to perform a different set of tests in comparison to what it would be for, you know, IDSL offering. Would you read that the test would be different if it was going to be offered through an ISDN switch?

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MR. BOWEN: Well, when you're testing an ISDN service that runs through this switch, you're going to do some kind of end-to-end testing from, you know, the hand-off point at one end to the hand-off point at the other end to see what kind of through-put you're getting. Obviously we don't need that because you pull off that signal and we send it to our DSLAM at the central office end. So we order, in effect, unequipped ISDN at the central office side of things.

As long as the field equipment out in loop plant is properly set up with repeaters and so forth if it's a long copper loop, we can use, you know, what looks to them like an ISDN BRI service. And the testing -- and they can test that from the central office out. They can test those loss parameters from the central office out using their own central office based test equipment. And that's independent of having a test -- a switched ISDN type of service that goes through the switch. That's a different kind of test.

MR. SRINIVASA: There is no synchronization test or for timing source? It's

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independent or external timing -- how does it --

MR. BOWEN: I don't know the answer to that. I don't know that.

MR. SRINIVASA: Does Bell know? Is there any timing synchronization test with the new offer BRI loop or when they switch it over to IDSL?

MR. SWEARINGIN: When Southwestern Bell provides the switch on our standard BRI offering -- I'm sorry, Tim Swearingin with Southwestern Bell.

When Southwestern Bell provides the switch on our standard BRI offering, we have the capabilities of actually doing a B channel to B channel 128K byte rate test and verifying the circuit. Due to the fact that we have dialing capabilities as part of that test, it, in our opinion, verifies that our D16 kilobyte signaling channel is also working properly.

MR. SRINIVASA: Is there a test associated with the timing? All of these have a digital service it's got to be a common clock, right, for which it has to synchronize. Do you have any tests for that as part of the BRI ISDN offering when you have an ISDN test set hooked

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up? Does it do the timing test as well as the BERT test --
MR. SWEARINGIN: The BERT test would indicate any timing slips. That would actually show in the form of --
MR. SRINIVASA: Okay. So for IDSL, if that same loop is used for IDSL, you perform the same test or --
MR. SWEARINGIN: No, sir, we don't have that capability.
MR. SRINIVASA: Okay.
MR. BOWEN: That's why I said that we test for through-put from our end, from out data-only kind of look at that loop type. And we expect, you know, the usual copper parameters on the copper segment of that loop and we expect the overall end-to-end loss parameter that they expect the loop to meet.
MR. SRINIVASA: So if it does not -- say it's not the first four slots, you know, the other slots if they test it and give it to you, they don't perform the byte error rate test. For some reason there's a problem, they're not receiving the full through-put, you're not asking them to guarantee that they

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provide you 144. You will take whatever the through-put is?
MR. BOWEN: We do want to use the bandwidth capacity of that type of service, which is 144. And that's what we've been talking about here. You know, we can achieve that if the circuit -- forget Marconi for a second -- any other kind of DLC that we have experience with or any other kind of copper-based -- home-run copper-based service, we can achieve that. We can get 144 out of a two-wire digital loop, if you will. It's only these Marconi Disc*s systems that we're having the problem with.
But my understanding is even with that system if we aren't in those first four slots, we can achieve what we're seeking. So, I mean, it's a focus problem. There's no question about it. But it's -- it's been kind of an on-going issue for us.
MR. SRINIVASA: Okay. I think we have enough information on this issue. We can make a recommendation to the Commission as to what will need to be done on this.
Now, the next issue -- What is the next

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issue? -- I want to talk about during the last session we asked Southwestern Bell to let us know if they have started inventorying the loops. If they have any records of that to let us, you know -- to provide us some information on that. You know, for example, what different type of technologies are being deployed out there and within the -- just to get an understanding -- how many are adjacent to T1 -- repeater T1s and how many ISDNs are all in the same bundle -- ADSL and IDSL are in the same bundle. Do you have any information on that?
MS. CHAPMAN: Just a moment.
(Brief pause in the proceedings)
MS. CHAPMAN: I'm sorry. I just want to make sure we understand exactly what it is you want. Do you want the number -- total number of circuits by PSD that we provisioned or what exactly is it that --
MR. SRINIVASA: Well, apparently you're requiring the DLECs, the data CLECs, to use your loop to provide DSL services to fill out the PSD mask information.
MS. CHAPMAN: Correct.
MR. SRINIVASA: We asked last time

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that -- are you tracking it -- you said --
MS. CHAPMAN: Yes, we are.
MR. SRINIVASA: -- you are going to start the process. You know, we wanted to find out some samples of how the information is tracked, what you have in the database and things like that. And last meeting we said it would be beneficial for us to have that information and I'm trying to find out if you have -- you had analyze to see, you know -- well, subsequent to that we're going to go back and talk about the trouble reports (inaudible) the analysis of that. You know, the last meeting, most of the reports were associated with the defective loops. But I wanted to find out since then are there other types of reports that you're getting. That's next.
Prior to that you need to know what kind of loops -- what kind of services, well, are being offered using the DSL loops.
MS. CHAPMAN: Okay. And I think we didn't quite get our assignment down correctly, but we can definitely get that. We have that inventoried so we can get that. You just want total number by PSD that have been

provisioned. Is that how you want it or just which numbers they are --

MR. SRINIVASA: Well, say for example, you know, Houston market area you have broken it down by different regions. And if you know in certain exchanges if they're predominantly deployed, you know, how many ADSLs are in the same binder group or adjacent binder group?

MS. CHAPMAN: Okay. You want it in that level of detail?

MR. SRINIVASA: Just to see how you're tracking it. Apparently you have an obligation to track that but how do you track it? We have no idea.

MS. CHAPMAN: So you want us to take, like, several central offices that have significant volumes and then what number of each PSD are in each binder group?

MR. SRINIVASA: Right.

MS. CHAPMAN: We can do that. Okay.

MR. SRINIVASA: And also in those same exchanges if you've gotten any trouble reports and anything associated -- you know, if

there's trouble reports associated with interference, cross dock or something like that, we'd like to know.

MS. CHAPMAN: Okay.

MR. SRINIVASA: I know last time the CLECs took a position that most of the trouble reports have to do with defects of your provisioning at the loops. Other than that I'm trying to find out if there are any trouble reports associated with spectrum interference.

MS. CHAPMAN: Okay. We can do that. I'm sorry, we didn't quite understand that that's what our assignment was.

MR. BOWEN: Just a quick question. I think I understand how you're doing this, but it has to be the case that you're tracking whatever you want to call it, PSD mask or service type in LFACS. You've got to be using one of the fields in LFACS. Right?

MS. CHAPMAN: Well, the NC/NCI codes identify that. So, yes, we can pull it from LFACS.

MR. BOWEN: And what's the field name you're using in LFACS or the --

MS. CHAPMAN: I don't know that

LFACS is the version of the field name. It's the NC and the NCI codes, which we do store. So I don't know the field name if it's not NC or NCI.

MR. BOWEN: I'm just thinking that for a while y'all have tracked, like, you know, high cap or whatever kind -- I've seen printouts that have identification on a pair-by-pair basis what kind of special service might be on that --

MS. CHAPMAN: Right. And in order to do that, we have to do -- it's not quite as easy because of the fact that we weren't able to obtain separate circuit IDs for each of the different PSDs. We had tried to do that, which makes it much easier to identify it in LFACS because that's the first thing it looks at is that circuit ID. So we had originally -- we tried to get separate circuit IDs for each of the PSDs but weren't able to from the common language group.

So instead we had to go down into the NC/NCI code. And the reason behind that was because they're provisioned the same way, so they didn't want to give us different circuit IDs, but they would -- you know --

MR. BOWEN: -- using the field for NC/NCI codes?

MS. CHAPMAN: Right. So we'll have to just look at those combinations and pull it up that way, but, yeah, we do have that information and can pull it.

MR. SRINIVASA: This inventory is on the access unbundling issue, the loop as a physical access to the loops. Of course other types of unbundling I don't we're going to talk about it, the frequency unbundling, that's in a different forum -- or actually it's an arbitration. The byte stream unbundling -- if you're providing part of the DS3 or something, that's also not part of this forum. That may be brought up in the future. At this point in time you're not doing it. Okay.

MS. LEWANDOWSKI: Before we move off of the issues of IDSL and loop inventory, I'd like to report back on a homework assignment that NorthPoint had with Southwestern Bell and the results of that.

If you'll remember, last time I was here, I brought up an issue about NorthPoint and the fact that we were early entrants into the

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DSL market in Texas and, therefore, have an embedded base of ISDN BRI loops because we could not order DSL capable loops at that time. And those loops are actually being used for an SDSL service.

We've been trying to initiate a project with Southwestern Bell to be able to turn those BRI loops into DSL capable loops and log them in their inventory system as SDSL because that's what they actually are.

NorthPoint wants to do this for several reasons: First, to protect the service for the end user so that when there's cable throws these circuits which are copper don't get moved to fiber and then disrupt the SDSL service.

In addition, we want to comply with our obligation to inventory the service as what it is because Southwestern Bell has to keep track. And also we want to be able to take advantage of the lower price points for copper DSL-capable loop.

NorthPoint has been working with Southwestern Bell and at this time doesn't have agreement on doing this project as we think is good for the customer and also what is basically

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fair.

The timing that Southwestern Bell has given us is agreeable to us. However, the process and the pricing is not agreeable. We believe that there should be some kind of project service order change only and that NorthPoint shouldn't have to pay any kind of nonrecurring charges or service order charges because we would have ordered the service as an SDSL/DSL capable loop if given the opportunity initially.

What Southwestern Bell has told us is that they plan to reuse the existing facilities but that they have to process a new connect and disconnect order, and that they are going to charge us the associated T2A service order charges, which I think are about upwards of $90 on each of these.

I'm worried that processing a new connect and disconnect order -- there's about a thousand of these. I have a hard time believing that there's going to be no disruption to any of these end users and, in addition, it's going to cost NorthPoint an exorbitant amount of money to be able to solve a problem which, I believe, was

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created by Southwestern Bell in the first place. We should be able to tell them what the inventory is and get these circuits changed in their inventory system to what they actually are without having to pay for it.

MS. CHAPMAN: Okay. This is Carol Chapman. The reason the situation exists is because NorthPoint, while they were in the process of negotiating an agreement for xDSL, asked us if we would be willing, on an interim basis to allow them to order BRI loops and if they could get them to work for xDSL could they go ahead and provision it that way? And if not, they would provision IDSL over it.

We agreed in the spirit of -- basically in good faith. And now, because of the fact that obviously, if it is a BRI loop, even if it is currently working -- these are ones that are currently working on copper, since it is a BRI loop, it could be moved over to fiber pair gain and then that would knock their customer service out if they were provisioning SDSL as opposed to IDSL or ISDN.

So we have agreed that we would be willing to work this. However, in order to

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ensure that that customer does not go out of service, what we have to do is manually walk these through our systems. This is changing service type. This is changing it from a two-wire BRI digital loop to a two-wire xDSL capable loop. It's changing service codes. It has to go through all our provisioning systems. And we are manually having to do this. This is going to be a very manual process to have these manually assigned -- reassigning the same facilities to what to the systems look like different services. The systems see these as totally different services. They don't see them as being synonymous. So we're manually having to walk these through -- all the way through to provisioning to make sure that that end user does not go down.

It is going to be very work intensive. We took the service order charges out of the T2A for that. And we're talking about dedicating, I think, was it ten service reps for a couple of weeks for doing this, two or three weeks or a month. I can't -- I'm not sure of it, but for an extended period of time -- to this project and that is just within the LSC.

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We are also going to have to have numerous people working these in the back-end system. These are not record orders. These are orders that have to go through all our provisioning systems, not just our billing system like a records order. So we are going to have to be coordinating not only with the LSC but with our provisioning folks, with our LFACS and probably with our frame to make sure that nothing happens to disrupt this end-user service.

So it is going to be very labor intensive, very manual. Not labor as physical labor but very manually intensive project. You know, we believe we're being very fair about this. We are -- you know, we're not -- this is much more labor intensive than the standard complex service order that we would do. This is something we are not going to be able to let go of the entire time just to make sure that this -- that that end user won't experience a disruption of service. But a disconnect and a new connect is the only way to update these records so that that end user is not disconnected and so that those facilities are

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reused.

MS. LEWANDOWSKI: This is Jessica Lewandowski for NorthPoint again. I guess I'd just like to say that it's not -- I don't know how else to say this in a good way. It's not NorthPoint's fault that the only way that they can change their records is by a lot of manual work. I think that they should have some way to do this. In the future, as technology changes, the DLECs are obligated as we can up the speed of the technology that we're running to tell -- do some kind of -- and Southwestern Bell hasn't told me how this is going to work yet to tell Southwestern Bell again as this PSD mask changes. So it seems like this also -- there's a current kind of project situation, but this is -- has future implications as well. As NorthPoint makes speed changes, I'm nervous that what this is portending is that every time we do this it's going to be extremely expensive and work intensive. They should have some kind of mechanized way for this to happen because this is going to start happening in the future.

MR. SRINIVASA: Well, let me ask you this -- so if you are providing IDSL and you

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want to upgrade that to a higher speed, SDSLs, all you're doing for your customer is you are still using the same loop pair, but you're switching that to a different line card, you know, DSLAM. And you need to let them know because they need to keep track of what services are being provisioned using the loop.

What I heard is in order to handle that updating the inventory, it's a complex order, therefore, they need to pay a complex order charge for that?

MS. CHAPMAN: Well, this -- there's two different situations that we're talking about here. One is going from a two-wire digital loop to a two-wire xDSL capable loop. There are two different loop -- there are actually two different loop types which are treated differently when we design them and assign them. So -- as opposed to going from an xDSL capable loop used for one PSD versus an xDSL loop being used for another PSD. So there are two separate issues. And that one -- you're using the same loop. You're just using a different PSD on it. You're using a copper-only xDSL capable loop as opposed to a two-wire

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digital loop.

So the reason there's nothing in place mechanically to do that is because they're different. The two-wire digital loop normally can have repeaters. It can go over pair gain. It does not have to be all copper. In this case it happens to be because they ordered it up front and then because it was they provisioned something different on there.

But that's not the normal way it works. We can provision -- a two-wire digital loop can have -- be provisioned over pair gain. It can have repeaters; whereas, an SDSL capable loop cannot. They have very different physical characteristics of the loop. So, no, there's not a seamless transition between the two different loop types.

MR. SRINIVASA: Let me -- the example I was giving you of say, for example, they have -- they ordered the two-wire loop. They're providing IDSL to an end-use customer and it is working fine. They're not asking you to put any conditioning, no physical work is needed. They just want to move that loop to an SDSL card which is in their collocation cage or

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wherever their collocation is for the DSLAM equipment, they're moving it to a different card. Or maybe it can be a software configured change, they'll do it. They want to make it [illegible].

That being the case, all they need to do -- they're obligated to let you know what PSD mask they're using that loop for because you need to keep track of the inventory.

MS. CHAPMAN: Right.

MR. SRINIVASA: You're not going back and changing anything. Why would --

MS. CHAPMAN: And that I wouldn't anticipate having this complex type of service order charge. And again, we're not charging the nonrecurring charges for installing the loop, the loop nonrecurring charge -- the cross -- on the situation that we're talking about for this project, we're not -- we're not proposing to do any charges for the physical work as far as the nonrecurring charges for the loop, the nonrecurring charges for the cross connect.

All we're proposing is the service order charge, which is for the actual processing of the service order, which we will be doing

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and, in fact, will be doing much more than we would normally do on a service order for this one very special project.

MR. SRINIVASA: The service order they are sending you in that scenario is just to let you know that you need to update your inventory.

MS. CHAPMAN: In the -- when they're changing -- just changing PSDs?

MR. SRINIVASA: Masks.

MS. CHAPMAN: Yes. Where they're still on an xDSL capable loop. Right.

MR. SRINIVASA: Well, again, they bought a two-wire digital loop. They have an arbitration agreement, whatever is in the agreement, they've paid that money and it's subject to true-up and all of that, and some point in time they said they're going to provide DSL and they used it. Three months later they realized their customer wants higher speed, and they said, "Yeah, we can provide you higher speed with xDSL." Still the same loop and they haven't asked you to do anything to that. It's just they go in there, there's a software configured box and they say, instead of this,

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switch it over to SDSL. And they are obligated to inform you because you need to keep track of the inventory.

MS. CHAPMAN: Right.

MR. SRINIVASA: Now, for that, is there any electronic mechanism -- you know, do they fill out another LSR and then send it to *you? Is there something, some other way to* inform you that the PSD mask has changed on the same loop?

MS. HAMM: Kim Hamm, Southwestern Bell. In order to do a change order on existing DSL capable loop, a CLEC would simply send a change order in. It's the same service code on there. The circuit doesn't change IDs. They send a change order in going from one NCI code to the other and it's one service order and it's changed -- everything else is recapped on the line. So when you're going from one type of xDSL loop to another xDSL mask, it's a simple process.

However, you're going from a BRI loop to an xDSL loop, different circuit IDs, different type of loop. You have to have an order to disconnect the BRI loop and an order to

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install the new loop. So there's two service orders involved.

Going forward, changing the speed, going from one NCI code to the other would be a change -- one change order. So that's a simple process. That would take a minimum amount of time. The disconnect/reconnect does take a considerable more time.

MR. SRINIVASA: Right. See, prior to the arbitration award, they were ordering two-wire BRI and they used that to provide of the IDSL type of service.

Now they have an interconnection agreement. The arbitration award is clear that it's a two-wire xDSL loop. Now they just want to change that designation and give you the PSD mask. The same mask they used IDSL.

Now, are you saying there's another order for that to change from two-wire BRI to IDSL?

MS. HAMM: To a DSL loop going from a BRI loop --

MR. SRINIVASA: Right.

MS. HAMM: To an xDSL loop is a two-step process, to disconnect the BRI loop and

connect the xDSL loop. There are two different types of loops.

MS. CHAPMAN: Right. There were two loops -- well, other than the two-wire and four-wire in the arbitration award, the digital and what we call the analog even though -- the copper loop which we're calling the xDSL capable loop, which is the -- I guess the analog loop from the arbitration award and then the digital loop.

This is currently a digital loop. It has different circuit IDs. It has -- it's -- like I said, it has different design criteria. When you take a digital loop and convert it or migrate it or whatever to a -- the xDSL capable loop or the analog loop, which is the copper-only loop, that's where you run into issues.

Now, where you've -- where they order an xDSL capable loop in the first place, whether they're putting PSD 5 ADSL or 1 or 3 or 6 --

MR. SRINIVASA: I'm still not getting it. See, the arbitration award was not there, say prior to that.

MS. CHAPMAN: Right.

MR. SRINIVASA: They were still providing IDSL. IDSL has been for a while anyway. Now, they use the two-wire BRI loop to provide the IDSL service. It's working. They are providing IDSL. It's not going to an ISDN switch. They still had to order that as a two-wire BRI loop because the arbitration award didn't say it's a two-wire xDSL digital loop. At that time they did not have it.

Subsequent to that the arbitration award came out and then they enter into an interconnection agreement. Now they can order two-wire analog, DSL loop or digital DSL loops.

Now, there are some existing lines that are already working, two-wire BRI. They just want to change it to two-wire xDSL. It's still IDSL. They were providing IDSL to start with --

MS. CHAPMAN: No, they're not wanting to keep it as IDSL --

MR. SRINIVASA: No, no, let's take that scenario. It's still IDSL. What do you do? They were providing -- they ordered the loop as a two-wire BRI -- I'm going to give two scenarios. They ordered the loop as two-wire BRI and they were providing IDSL service. Okay?

Now, they enter into a new interconnection agreement with you. They want to change the designation as two-wire xDSL loop and they want to continue providing IDSL loops.

Are you saying because of the way you have created the system there's a disconnect because it's changing from BRI to IDSL, the xDSL capable two-wire digital loop?

MS. CHAPMAN: They're not the -- yeah, they're not the same loop. A two-wire digital loop --

MR. SRINIVASA: There's no physical change. It's --

MS. CHAPMAN: But the definition of a BRI loop can have repeaters. It has different design criteria. It has different circuit IDs. I mean, you can't even have the same circuit ID. It's a different physical loop.

Now, in some cases you may have a copper BRI loop. In some cases you may actually have one and that's what we're running into here where it was probably a shorter loop so it's on all copper, but.

MR. SRINIVASA: No, no, if it's a

two-wire, even with the repeater, they had IDSL working on that to start with.

MS. CHAPMAN: Right.

MR. SRINIVASA: Now, because of the new award they want to change the destination as a two-wire xDSL.

MS. CHAPMAN: You mean a two-wire digital loop -- oh, it's the same loop. That's the same loop. They don't change it. In fact, in the interconnection agreements that we did they actually reference back to the UNE appendix. It's the same loop. They don't change anything.

MR. SRINIVASA: Right. But apparently what I heard was because the change prior to this they had a BRI, now it's a two-wire digital on the same loop --

MS. CHAPMAN: Oh, no.

MR. SRINIVASA: -- it's a disconnect? Does this --

MS. CHAPMAN: Oh, no. No, no. They're changing a BRI loop into an xDSL analog, a copper-only loop. They're going from the BRI digital loop to a copper loop. The BRIs that they've go out there now were actually

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provisioned -- I guess they're probably shorter loops, but they're actually provisioned on copper. They don't have repeaters, but they're actually inventoried and were ordered as two-wire digital BRI loops. And what they're wanting them to be inventoried is as xDSL copper only loop so that in the future -- like she's saying -- if we're doing a cable throw or something like that, if it's a BRI loop we could put that onto pair gain and then that would -- since they're really wanting a copper-only loop, that could knock their customer out of service; whereas, if it was an xDSL capable loop, which is a copper-only loop, we would have it inventoried as a copper loop and would know not to move that particular loop over to pair gain but to leave it on the copper.

So what they're actually wanting us to do is take the two-wire digital loops and move them to xDSL capable loops, not a -- not moving it to another -- a two-wire digital loop for DSL.

MR. SRINIVASA: I'm confused. I don't think I'm getting an understanding of what you're stating. If there was a two-wire BRI

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loop that was ordered and they were using it for the IDSL, now, they want to change it to two-wire digital xDSL capable loop and they want to keep the IDSL the same. The rates are the same. Right? Or is there a different rate?

MS. CHAPMAN: No. Right now those are identical. They wouldn't do anything. It's the same loop, exactly the same loop, so they would not do anything at all.

MR. SRINIVASA: Right. So what could happen is if they change it, it's the same rate, which is interim if it was xDSL. If it is BRI, two-wire BRI loop, T2A rate applies. That's not interim, whatever the T2A rate is.

If it changes to two-wire xDSL loop, the rate is interim subject to true-up and there's a permanent cost proceeding based on that. It's still IDSL they're providing, but they want the designation to be the interim rate category because it may be subject to true-up if permanent rates are different; whereas, if it was a BRI loop, BRI loop is whatever the T2A rate is. That's not interim. I don't know if you're following --

MS. CHAPMAN: I am following what

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you're saying. But currently the BRI -- the loop that they order is the same whether they ordered it under the BRI or under the arbitration. The digital loop is the same loop, which was what we were trying to say back in January, which was what -- I thought they were actually reevaluating the whole BRI loop issue is what I was under the impression. Because the loop is -- it's the same loop. In fact, in the interconnection agreement it references back to the UNE appendix. It's the same loop, the same USOCs, the same everything for the two-wire digital used that's in the arbitration versus the two-wire digital in the standard UNE appendix.

MR. SRINIVASA: So if a CLEC has an ISD switch and was ordering two-wire BRI loop to provide ISD switch service, they order BRI loop, is that rate also interim now?

MS. CHAPMAN: I think it may be. I'm not sure. That's what we were a little -- that's what we were not quite understanding back in January.

MR. SRINIVASA: Probably we need to get back to this. I'm confused over this

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issue. We may want to take a five- or ten-minute break and come back and think it over a little bit.

(Recess: 11:05 a.m. - 11:27 a.m.)

MR. MASON: Okay. We're back on the record. I think we will pick up where we left off (laughter), unfortunately, and talk a little bit more about that, try to get a little bit better understanding.

MR. SRINIVASA: Actually, get an understanding of the process and how it can be improved. That's what we would like to focus on, anyway.

MS. LEWANDOWSKI: I want to clarify the question, I think, in which you were asking, which is what if it isn't necessarily NorthPoint's situation right now, but what if before the new arbitrated agreement you had a bunch of ISDN BRI loops that were running iDSL. What if -- now what I'm asking Southwestern Bell to do is I want to change these all to PSD mask one IDSL copper-only loops.

My understanding is that would be the same process currently as asking Southwestern Bell to move them to a PSD mask 3, 5 or 7 to be

an SDSL loop because it is to my understanding a different -- does have different service codes, et cetera, associated with it. And it's not -- if you're moving to the PSD mask 1 for copper-only loop it's not a two-wire digital loop. It's a two-wire analog loop.

So I'm kind of confused about what Ms. Chapman was saying.

MR. SRINIVASA: You said something, if it was a copper-only or two-wire BRI loop initially before this contract and they had to go ahead and do the conditioning and all that in order to provide the BRI, they have to pay nonrecurring charges associated with that. Okay?

Now, and also there was no repeater needed. It's copper-only. And you want to change that to two-wire analog?

MS. LEWANDOWSKI: Well, all of these loops we have existing that are only the list we gave to Southwestern Bell, they all are copper loops that didn't need any kind of conditioning because before the new interim agreement Southwestern Bell wouldn't provide us an xDSL capable loop, and they wouldn't

condition them.

So these loops are all short copper loops that didn't require any conditioning, and now they're in a situation where we're paying, and they're costing us a lot of money when they are really, in fact, the facilities that they are short copper two-wire analog loops. They're just called what they're not in the system. We want to rectify that, and SBC is saying to call what the facility actually is is going to be very difficult and cost aus a lot of money to charge us.

And so we're going to charge you back, NorthPoint, and we're saying it's not our fault. It was anticompetitive of SBC in the first place not to allow us to be able to order those loops because the consequence of that if we didn't order the BRI loops is we wouldn't have been able to provide service to users in Texas.

So their argument seems to say, "Well, NorthPoint, you should have just not offered service to those people in Texas until after we got the arbitrated agreement."

MR. SRINIVASA: So those loops are less than 18,000 feet long, and then you ordered

them as BRI loops, and you're paying whatever the rates were for the BRI loops. Now the two wire -- they're less than 18,000. I don't know. When you first ordered the BRI loop, did they ever do any kind of conditioning to them? Were there any bridge taps, or were there any load coils on them?

MS. LEWANDOWSKI: When we were doing SDSL on the BRI loops, we only accepted the loop if it was clean copper loop because what Southwestern Bell said the agreement between NorthPoint and Southwestern Bell was Southwestern Bell said at this time, "We're not going to offer an xDSL capable loop. All you can get is an xDSN loop."

We said, "What if -- if we can make DSL work on that BRI loop," and they agreed to that. So all those loops were -- the agreement was if you order ISDN, that's what you're going to get. But in the case of that section of loops, we were able to make our SDSL service work, but we didn't ask -- for SDSL we didn't ask them to do anything additionally.

As soon as we were able to order the DSL capable loops, we changed all our processes

and started doing that.

MR. SRINIVASA: But for example, if a loop, copper loop all the way to the end-use customer from the central office is copper is less than 18,000 feet -- initially, if they ordered that as a BRI loop, not as any dB analog -- if it's copper all the way, why can't they order that as a two-wire analog xDSL loop because it's less than 18,000 feet?

MS. CHAPMAN: They can. They didn't initially because they didn't have contract language to order that. All they had in their contract language at that time was two-wire digital loop. But, yes, they could have although we may have done some conditioning on it, standard conditioning for BRI loops. I just wanted to correct that one point.

On a BRI loop, if we find load coil, those are automatically conditioned. That's included in the price of the loop and is not a separate charge or -- we wouldn't have added repeaters on these, however, because, as you say, these are ones that turned out to be copper.

MR. SRINIVASA: Less than 18,000

feet. I was giving you an example of that. So you told me that you're not restricting them from changing that to two-wire analog loop.

MS. CHAPMAN: No, we're not. We're just saying that in order to do that there is a process that we have to do in order to change that from a BRI loop to the analog DSL loop. There's a process in order to do that. It has to go through all our provisioning systems and in order to -- their concern was we would use the facilities and that we --

MR. SRINIVASA: It's a different USOC?

MS. CHAPMAN: Different USOC, different circuit ID, different NC/NCI code. It's completely different. It looks completely different to our systems. In this case it will be provisioned the same way because it's on copper, but it would have different provisioning guidelines for the different loop -- it's a different loop type, but it should be provisioned in this case the same way since it's over copper.

MS. LEWANDOWSKI: Jessica Lewandowski for NorthPoint. But it has already

been provisioned. You're not --

MS. CHAPMAN: That's right.

MS. LEWANDOWSKI: Southwestern Bell is saying that to be able to get the change in the PSD mask to flow through their system, they have to do a new connect and disconnect, and the different loop types of flow-through that they have to do a new disconnect and reconnect. All we're doing is telling them now we've got the new contract language, these loops that are -- look like ISDN to you, they're not really ISDN. They are SDSL. They are all copper. Put them in your system so it looks like what they actually are, and they have some complicated manual process that they have to follow to be able to do that, and that is not NorthPoint's issue.

I mean, I'm sorry that they -- it's complicated and not uncostly to them, but we shouldn't be penalized because of that.

MS. MAJCHER: Thank you. Dineen Majcher. I just want to be clear for the record when Ms. Chapman said NorthPoint didn't have contract language, it makes it sound as though it was a negotiated point. Southwestern Bell

was not willing to offer xDSL capable loops at that point in time.

After the arbitration, NorthPoint subsequently was able -- and today is able to get xDSL capable loops. This is an issue that Southwestern Bell has created. They had an interim fix by allowing NorthPoint to utilize the ISDN, but now what we're talking about here is a nomenclature change. You're not talking about one iota of change of facilities. They're going to be using and retaining the identical facilities.

This is strictly a nomenclature issue, and it's one that we ought to be able to work through in a very straightforward way here without having orders on the form that look like connect and disconnect because we -- even if it appears to be a manual process, we sure don't want any customers who were disconnected and reconnected. I think Ms. Lewandowski has been very patient and gracious in trying to walk through this, but I think we need to be clear to identify what this is.

When you said they didn't have contract language, there's a reason there wasn't contract

language, and now it's a problem we're trying to fix in a productive way. I think we need to focus on that we're using the same facilities and need to move forward on this issue.

MR. SRINIVASA: You mentioned something that's a nomenclature issue. If it's a two-wire analog, isn't that a different rate issue also?

MS. MAJCHER: It's the identical loop, and it's the rate issue that the Commission determined after the arbitration was what the rates should be. NorthPoint had been paying a higher rate up to that point in time.

MR. SRINIVASA: It's no longer -- the applicable rate is not the two-wire digital xDSL. It's two-wire analog loop rate. Those are two different rates and have two different USOCs.

MS. MAJCHER: Pursuant to the arbitration and subject to true-up.

MR. SRINIVASA: So there is a rate change also in that.

MS. MAJCHER: But no facilities change. It's a record change.

MR. LEAHY: Your Honor, Tim Leahy

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representing Southwestern Bell. With regard to what sort of changes must occur to effectuate NorthPoint's request, I'll leave that to the subject matter experts, but I would like to make clear for the record it was my impression that NorthPoint signed an interim interconnection agreement similar to if not identical to what was signed in early June by Covad and Rhythms. Is that a fact?

MS. LEWANDOWSKI: That's a fact.

MR. LEAHY: Did that occur? When did that occur.

MS. LEWANDOWSKI: That occurred in about September of 1999, and after that -- probably about a month after that fact, it took us a while to change our processes to order DSL capable loops because Southwestern Bell did not have a mechanized way to process those orders initially. We had to fax them.

So we had to go through a lot of MNP changes and teach our representatives how to fax orders because they only knew how to use LEX, and it wasn't until late October that Southwestern Bell had a way to be able to place those orders in a mechanized fashion.

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MR. LEAHY: So are these thousands of orders that we've been discussing, that occurred during the September and October time frame or prior to that?

MS. LEWANDOWSKI: They should be pre about October of '99. There may be a mix of a few in there, but starting about October of 1999 for xDSL we began solely ordering the DSL capable loop.

MR. LEAHY: So this universe of a thousand orders that we've been discussing, concluded sometime in October of '99. When did it commence?

MS. LEWANDOWSKI: I'm sorry. I don't have that information. I could -- let me look at my spreadsheet, and if it has dates, I can get that information.

MR. LEAHY: I am just trying to get a sense are we talking about September, August, July, June, or are we going back --

MS. LEWANDOWSKI: I don't have the exact information of when NorthPoint entered the market in Texas.

MR. LEAHY: Thank you.

MS. MAJCHER: I just want to

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remind you Ms. Lewandowski indicated last time they tried starting in September about the time they had the interim agreement to start working through these problems. And it's been an on-going effort for the last several months.

MR. SRINIVASA: So in terms of the -- apparently, what I heard you state is that you're not preventing them to change from two-wire analog if it's less than 18,000 feet, but there's a disconnect involved. That is what I don't understand. Why do you need a disconnect?

MS. CHAPMAN: What we have to do -- the BRI loop, which is currently on, has one circuit ID, on set NC/NCI codes, and that's how that loop is inventoried in all our loop provisioning systems, in our loop -- our loop records, in all of our systems, and that is what would determine if we did do a cable throw or any type of plant work how that loop would be treated. Currently it would be treated like a BRI loop which could run over copper or pair gain. So it could -- you know, we could do a line to station transfer, move it over to pair gain any day if we needed to free up a loop for

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copper.

And so that's currently how our systems see that loop. In order to get all the systems, all of our provisioning systems, to see that as no longer a digital loop but as a xDSL capable loop, a copper-only loop, we have to do a disconnect and new connect order, disconnecting the digital loop, reconnecting it as an xDSL capable loop and reuse the facilities.

And what that does is it takes -- goes through all the system. The system can't assign the same loop twice, the same facilities twice, to different services. So what it does is we walk it through all the different systems, and each system will have someone there making sure that it's reusing those facilities and that that end-user customer will not know that this is going on, but we're physically having to walk these through -- manually having to walk these through our back-end systems, our provisioning systems, changing the circuit ID on that loop, changing the NC/NCI codes.

And so once this is done from this point forward, that loop is no longer a BRI loop, but it is an xDSL capable loop and will be

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treated as such on an on-going basis. The reason we have to manually walk that through is to ensure that that customer is not physically -- we don't physically do a new -- disconnect or physically do a new connect that we physically don't touch the loop, that we are just making sure that all the systems are now going to accurately keep that information and treat that loop as a --

MR. SRINIVASA: Two-wire xDSL analog. To me it sounds like it is an implementation issue of the arbitration award. The arbitration award stated there has got to be a two-wire analog loop and there has got to be a two-wire digital loop. Are there any time lines stated when that designation -- those different types of loops have to be implemented? Do you know if there's a time --

MS. CHAPMAN: No, but I do know the current -- the loop that it is on now would be the two-wire digital loop that is in the award.

MR. SRINIVASA: It's a transition to arbitration.

MS. CHAPMAN: They're changing it

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from that loop that is in the award to another loop that is in the award because the other loop serves their purposes better, so it's not that they're currently running the digital -- running -- they currently have the digital xDSL loop, I guess. It's the same -- that's what they've got now is that digital loop that is in there, the two-wire digital.

MR. SRINIVASA: Prior to the arbitration award, there was no two-wire analog xDSL loop. There was no two-wire digital DSL loop. When the arbitration award came out and these types of loops were awarded, you had to go back and implement them. There has got to be a transition period.

Any time in all different arbitration awards there is a transition period, a change from one designation to the other. Do you have some sort of implementation schedule for that or --

MS. CHAPMAN: Well, again, for the two-wire digital loop, that loop is the same loop as the BRI loop. So there was no transition there. It's the same loop. You know, that's how we presented it all along, and

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that's how it is in the interconnection --

MR. SRINIVASA: Even though it was less than 18,000 feet, it was copper all the way. Just because it was called two-wire BRI loop digital loop, you just changed that to two-wire digital even though it was less than 18,000 feet?

MS. CHAPMAN: No, there was no change. The two-wire digital loop is the BRI loop. They're the exact same. There is no difference. It's the same USOCs. It's the same NC/NCI code. The definition even in the contract is the same. It's the same loop. There was no change. The change is to take a two-wire digital loop or BRI loop and change that to the two-wire xDSL capable loop or analog loop, copper-only, change that.

MR. SRINIVASA: If it was less than 18,000 feet, you were changing that as two -wire XDSL analog.

MS. CHAPMAN: No. Normally, we were not doing that. This is what they're asking us to do is to come up with a list of circuits that are currently two-wire digital loops that they want us to now change to two-

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wire xDSL capable loops.

MR. SRINIVASA: Let me ask you this. You have certain loops, digital loops, that have repeaters and DLCs involved. You have digital repeaters involved. There are certain loops that do not have any repeaters. They do not have any load coils. Okay?

Then you're saying that the two-wire digital loop rate was an average of the two?

MS. CHAPMAN: Yes.

MR. BOWEN: One thing that occurs to me that this is not a complicated thing to accomplish. You're changing a field in LFACS. That's what you're actually doing. That's the loop tracking database. You're changing the field that says -- instead of saying ISDN, now it's going to say xDSL capable or just analog POTS loop. You've got to change that, and you've got to change the billing system to bill the right new correct rate.

I don't see what's so complicated about this, frankly.

MS. LOPEZ: We get designated -- we get -- Jessica, you probably for NorthPoint -- I know we do -- we have a whole

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block of circuit numbers that we can give them to reuse to go ahead and put those into the systems, so that they are identified correctly.

MS. LEWANDOWSKI: I think you said it perfectly when you stated that it is the issue that NorthPoint has an embedded base of loops on the BRI loop, and what we want to do is implement the capability to utilize the xDSL capable two-wire analog loop. But we -- our problem is that because we entered the market early, we have this embedded base of customers, and it really is an implementation issue.

MR. SRINIVASA: So they're two buckets, let's say: two-wire analog and two-wire digital. Both are xDSL capable. So if there's a copper loop which is less than 18,000 feet, then you want to put it under two-wire analog xDSL loop bucket. If there's a repeater, you want to put it under --

MS. LEWANDOWSKI: The ones that we do currently have some of the BRI loops that we ordered as BRI and that are IDSL. Currently, we're leaving those in the ISDN BRI two-wire digital bucket. The only ones we're asking to move at this time are the ones that are --

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they're those clean copper loops that truly are the two-wire analog loops.

MR. SRINIVASA: In order to clean that, there was an expense to start with. 18,000 feet could have had load coils on them if it was plain old telephone service. Some way it had to be cleaned up.

MS. LEWANDOWSKI: That's possible.

MR. SRINIVASA: Are you saying that just because it's cleaned up it is analog, and the cost associated with that cleaning up, what if they haven't recovered it yet, and if it was -- they were supposed to recover it through the rates established for the two-wire digital.

MS. LEWANDOWSKI: This is Jessica Lewandowski for NorthPoint. I'm not an expert on the costing on how it works for ISDN BRI. So I couldn't really -- I wouldn't know how to answer that question.

MR. SRINIVASA: To me it looks like this is a costing issue, but, again, what happens is if it's put under a wrong bucket called two-wire digital, wrong -- the incorrect rates maybe apply in the future. That's what your issue is. I think this is -- you know,

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arbitration should have made clear how the transition has to take place.

I don't know if we can address this in this forum. This has got to be something that there is a dispute and has got to be clear cut implementation dates and how it needs to be transitioned, and also when the permanent rates are established for the two-wire digital and two-wire analog this has to be taken into account.

MS. MAJCHER: I'm not sure this was addressed directly in the arbitration award. It was addressed and Southwestern Bell was required to set up an xDSL capable loop and the categorization because NorthPoint was in service prior to that and entered into an interim agreement similar to that of NorthPoint and Covad after it had been in the service for some time, and NorthPoint was not in the arbitration.

I don't know that the transition was specifically addressed in the arbitration. From a processing point I guess we need to get some guidance on how you-all would prefer this be handled. I think it's appropriate in this forum because it is -- it is an issue directly related

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both to the T2A and post arbitration, and NorthPoint was not a party to that arbitration.

We either address it here or file a complaint independently. I'm not -- we can do it either way, but it does need to be addressed on a fairly expeditious basis. I welcome your guidance on what it should be.

MR. LEAHY: Tim Leahy, for Southwestern Bell. I would hope that the contract that NorthPoint and Southwestern Bell Telephone entered into would guide the parties. They have dispute resolution clauses. T2A has dispute resolution clauses. It's our position that the parties need to use those clauses before they come to the Commission and file a complaint. And that would be our request.

Those have certain formal notice requirements and meeting requirements, and if they've been -- if those processes have been followed by NorthPoint, then a complaint is appropriate. But if they haven't been, we ought to at least give that process an opportunity to work.

MS. MAJCHER: What you're asking for is another potential several-month delay; A,

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to the extent here are those processes in place we've been trying to work this since September. And I think you have to resolve this; B, I do not agree that the interconnection agreement trumps the Commission's post arbitration interconnection post arbitration dispute resolution.

MR. LEAHY: Your Honor, Tim Leahy, for Southwestern Bell. It's not our position that we're trying to trump the Commission's jurisdiction or its role in any way. The purpose of a contract in any context and certainly in this context is to guide the parties' behavior, and our point is we ought to follow the dispute resolution processes that the parties agreed to and the Commission approved Before we run and file complaints. That's my general policy suggestion in this context and in a number of contexts.

MR. MASON: Let's go off the record for just a minute.

(Discussion off the record)

MR. MASON: We're back on the record. I think we've come to an understanding of how the parties are going to proceed on that

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issue. So I think we're going to jump to something else. Hopefully we can maybe go over an issue for maybe 30 more minutes and then take a lunch break. And if we need to continue, then we'll continue.

MR. SRINIVASA: Last session we asked, you know, to get a copy of the ANSI standard, the latest one. We didn't want to go back and get the previous standards. Can you give me an update on that, where we are at?

MR. LEAHY: Tim Leahy with Southwestern Bell. It's my understanding that June 1st the expected standard from the T1E1 group should be distributed for ballot purposes. It's to be a ballot. It's not -- it won't be -- or it may be a standard, but it's the version being circulated for ballot purposes.

MR. SRINIVASA: The standard has to do with the spectrum management?

MR. LEAHY: That's my understanding, Your Honor.

MR. BOWEN: Ours as well, Your Honor. That T1E1, that full working group, it has met, and we believe that the ballots are about ready to go out, or maybe it has already

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gone out. It's not just spectrum management. It's this whole package of standards that includes spectrum management issues.

Our understanding is that the working group has come to an agreement that does not call for any kind of post-installation spectrum management, but instead specifies how different DSLs are to be used, if you will. Leaving aside, of course, the AMI T1 issue which is always there. Everybody understands that to be an interferer, but our understanding is that everything else has been agreed to at least enough to get it to ballot. And we'll see where the ballot goes, but there is something about to come out.

MR. SRINIVASA: Is there -- does the standard address VDSL issues? You know, if it's --

MR. DRAKE: Yes, sir, it does. William Drake, WorldCom. VDSL is being addressed with the T1E1.4 standards that's coming out.

MR. SRINIVASA: So, from the spectrum management perspective, even though VDSL is a high speed, very high speed digital

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service, shorter distances, how it's going to impact some of the other services, is that going to be discussed also? Or is there a movement towards moving it to a different frequency spectrum on the FFD, or --

MR. DRAKE: No, keeping -- like they're addressing issues like from remote terminals at least for less than 4,000 feet.

MR. SRINIVASA: Does it also address the issues concerned with the two different kinds of line coding, DMT as well as the CAP?

MR. DRAKE: Yes.

MR. BOWEN: There may be actual progress in the industry.

MR. SRINIVASA: So June 1st we'll get a copy of that. Right?

MR. BOWEN: That's correct, Your Honor.

MR. SRINIVASA: Okay. I believe another one that may be done before 30 minutes would be this topic that's got to do with the other forms of DSL. What else is going on in terms of technology for other forms of DSL? So far we know that there is ISDL, xDSL, you

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Goodpastor with Covad. Could I just give you an

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information we need to further investigate the

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don't want to leave off is the SPEC code for -- that would replace the as-is SPEC code.

MR. SRINIVASA: Okay.

MR. LEAHY: I'm sorry. I missed that, ma'am.

MS. LOPEZ: The SPEC code that Carol was working on to -- because of the as-is work SPEC code that doesn't work, you were going to do the catch-all SPEC code.

MR. LEAHY: Okay. Is that where the CLECs were to come back with a proposal --

MS. CHAPMAN: Yes.

MR. LEAHY: -- and to improve that sort of process?

MS. LOPEZ: Well, no.

MS. CHAPMAN: Well, actually it was.

MR. GOODPASTOR: No, we -- Chris Goodpastor with Covad. We agreed to submit a process proposal. But, Carol, you also agreed that while you're waiting on that, you would investigate the ability of -- create another SPEC code that would allow a CLEC to go ahead and just order a conditioning up front because of the -- at least the problems that Covad and

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Rhythms have reported with using the as-is SPEC code.

MS. CHAPMAN: Yes. I mean, and we have begun that process. It's rather difficult to finalize it when -- until we get the proposal from the CLECs, but we were able to at least obtain a SPEC code from Telecordia, and we're working towards what -- our vision of what -- how it would work.

But, again, we haven't received the CLEC's proposal that they had said that they were going to get together and give us a proposal and what they thought that process should work like, so --

MR. GOODPASTOR: And just to keep the Commission informed, I'm working on that right now, and I'm going to circulate that to CLECs. I hope to have it ready for the 18th meeting, but we've got -- I've got a lot of other things on my plate. So I'm working diligently with our folks to get that done and with other CLECs. Like I said, my goal is the 18th, but I may miss that goal.

MS. CHAPMAN: I thought -- isn't that one teed up for the 2nd -- the 25th

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meeting? I thought the 18th meeting was the OSS PM.

MR. GOODPASTOR: Maybe I --

MS. CHAPMAN: Maybe so. Maybe you have another week, but I'm not sure.

MR. GOODPASTOR: Hopefully I do, but I was just going to use that as a benchmark to try to get it to you as soon as possible.

MS. CHAPMAN: Oh, that would be great.

MR. MASON: Anything else before we break? Okay. We will take a -- let's -- well, let's just come back about 1:30, give you a long lunch, and then we will for sure take up the Richardson fiber to the curb problem. We'll address remote terminal issues and if we can fit in time to address anything else. Thanks. Off the record.

(Lunch recess: 12:15 p.m. to 1:30 p.m.)

MR. MASON: Okay. We are back on the record. And I think we want to get into the Richardson problem, fiber to the curb issue. We'll address that first, and then we will hopefully get to the remote terminal issue after

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that. But let's start with the fiber to the curb.

MS. GENTRY: Jo Gentry, IP. I think that in our previous discussion I kind of framed what the issue is as far as there were as of 1994, for Betty Schlackman, 30,000 customers that were served out of the Richardson central office, that through a specific technology that they were developing at that time, they called fiber to the curb. But it was a unique type of technology that, at this point, only SBC -- and I won't get into their subsidiary, but right now that the incumbent is the only one that can provide DSL to those end-users.

And then subsequent to that discussion we had a few weeks ago, I was reading an article. It happens to be out by the USDA, Advance Telecommunications in Rural America. And in reading that, on Page 14 of that document, there's a bullet here that says: "SBC has already deployed fiber to the curb at more than 30,000 residences in Richardson, Texas and plans -- excuse me -- and plans to add 10,000 more links by the end of the year." It's got a footnote from where that came from. It's Jason

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P. McKay (phonetic), Optical Illusions Disappear for Telecom -- 15, 1999. It gives a Web site. It talks about Clearworks, Bell South and SBC.

The issue is, is I asked for clarity of SBC over the last two and a half months about what was a fiber to the curb issue, how could I find a way of getting an unbundled loop that I could use for DSL out of that. The only information I was able to gather was through a line sharing discussion that Betty Schlackman gave some general information.

Nothing more has been -- have I been able to obtain. I've asked my account manager repetitively through e-mails and verbal conversations. I've never had a response back on it. I'm trying to figure out how my company and any other DSL company can order unbundled loops that I could use for DSL through that by day-to-day provision ADSL for their end-user through that same technology.

I'm either -- additionally alarmed to read a document that is saying that they're going to add 10,000 more links. So not only do I want to know how to get to the original customers, the 30,000, I want to know if the

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technology they're putting this 10,000 in is going to be under that old technology. Or if there is some new process that they're going to do, that's going to cause even more end-users to be unavailable to me.

I feel very strongly that I need to have accessibility to those end-users, and certainly if SBC is going to continue to sell to them, I need the same. If I can't have access to them, then I think we need to figure out a remedy so that they are not the exclusive provider of ADSL to that very exclusive neighborhood of potential customers.

MR. SRINIVASA: Let me get an understanding. First, when you say, "fiber to the curb," it's all from the central office to the curb, wherever that -- curb means that -- this is a housing subdivision or an office complex?

MS. GENTRY: This is -- and I'm going to paraphrase what was said to me -- not just me. It was in a line sharing discussion that many of us sat in on that Betty Schlackman talked about it. It was in 1994. It was when many of the ILECs were doing video trials.

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MR. SRINIVASA: Video dial tone.

MS. GENTRY: It was a video trial with all the streaming video that we talked about in those days. It was a unique technology provided by Lucent. It was not one that they mass deployed throughout all of their regions. There were it and just another pocket, another city that they did some of this limited deployment in.

It actually goes all the way out to the end-user. So it's not like just fiber to an RT or fiber partially. It actually goes all the way out to like a pedestal for a grouping of customers. It is residential only.

There is a few small matterings of business like strip malls, but these are not like major business customers. These are primarily residential. It's in five zip codes in Richardson.

There are approximately -- and these are numbers that Betty gave -- approximately 18,000 end-users that are in -- I'll call the more rural portion of Richardson that were not impacted by this.

MR. SRINIVASA: Let me ask

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Southwestern Bell, was this video dial tone implementation that the FCC had asked that you did this on a trial basis, or is this something that you --

MR. BORDERS: This was a -- Dave Borders, Southwestern Bell. This was a trial to -- and it's actually cable TV and dial tone, not video phone. It's -- what basically it is is it's integrated in the -- the voice is integrated into the number 5 ESS at Richardson, comes out on fiber all the way to a remote. It is fiber and integrated at the remote, goes to fiber to the curb or a position in the backyard because we -- they positioned one of these.

They're called optical network units, and that serves approximately 16 houses. And it's all integrated. The only copper comes at the end of the ONU.

MR. SRINIVASA: So --

MR. BOWEN: And that's coax. Right?

MR. BORDERS: It is a mix of both.

MR. SRINIVASA: So for the video -- for the cable TV portion, there's the coax, and the telephony, the twisted pair cable?

know -- excuse me, SDSL, and HDSL-2. Is there a standard that's coming up for the -- is it pretty much finalized, or is it still under the balloting process?

MR. BOWEN: HDSL-2 is ready to go commercial.

MR. SRINIVASA: The standard is finalized, also?

MR. BOWEN: Yeah. The equipment is -- I think is shipping already for that.

MR. DRAKE: I've already evaluated the equipment in our labs, and we're deploying it.

MR. SRINIVASA: Okay. And, also, last time I had asked -- verify to see that, you know, if the HDSL-2 has an extended loop scenario, if it would work or not. And do y'all have any input on that?

MR. DRAKE: What's the question, sir?

MR. SRINIVASA: You know, well, say, for example, enhanced extended link is another form of combined UNE platform. That means you can buy the transport and the loop extending from one central office to the other

central office is the transport -- from the central office, one, to the end-user is the loop, combining them onto a high capacity transport service. If someone wants to provide HDSL service using that combination, say, for example, using a clear channel T1 for DS3 multiplexer or if it's an OC3 type, using a clear channel T1, can they provide HDSL from a different central office?

MR. BOWEN: Not -- well --

MR. SRINIVASA: Using HDSL-2.

MR. BOWEN: I think of EELs as being a solution that does not require you to collocate equipment in the serving central office.

MR. SRINIVASA: Not every central office then?

MR. BOWEN: Right. This -- I mean, the current technology, even for HDSL-2 requires you to DSLAM the signal at the end of the copper. And so most EELs travel on fiber between the serving central office and the other central office.

So, you know, I can't -- I guess it may be -- let me say it this way: I don't

think it's possible to do an EEL with DSL simply because, even if you had copper between offices, the reach would be just way too far. The overall total copper length would be way too long.

You have got to have the DSLAM functionality either at the serving central office or out at the RT for the new next generation DLC kinds of service. So HDSL-2 is still, you know, a line coded copper solution that has a lot more capacity over two wires than before, but it still needs to be DSLAMed at the end of the copper.

MR. SRINIVASA: At this point in time that's the way it works? Okay.

MR. BOWEN: Now, there are solutions that we'll talk about, I think, probably this afternoon that let you get all flavors of DSL across fiber fed DLC with the next generation terminals. But even there, you're going to want to have the functionality, the DSLAM functionality out at the RT now instead of in the central office.

MR. SRINIVASA: So you have to go physically collocate it at the central office.

Are any of the CLECs using adjacent facility collocation? Say, for example, you know, if there's a central office, is it running out of space?

MR. BOWEN: We are -- well, Rhythms is in California. We had 22 collocations, adjacent off-site collocations with Pacific Bell.

MR. SRINIVASA: Adjacent off-site --

MR. BOWEN: Adjacent off-site, yes.

MR. SRINIVASA: So you do have copper between the two?

MR. BOWEN: Yes.

MR. DRAKE: WorldCom plans on deploying that, also. We're doing field trials this year, adjacent RTs, and adjacent collocations.

MR. SRINIVASA: And before we get onto the remote terminal issue, that may take longer than 30 minutes. So that's why we -- probably we should go ahead and break for lunch now.

MR. GOODPASTOR: Your Honor, Chris

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provisioned through fiberoptic cable?
MR. BORDERS: Absolutely.
MR. SRINIVASA: You do not have -- let me ask you this: From the ONU to remote, you have two fibers, one to transmit and one to receive. Right?
MR. BORDERS: Correct.
MR. SRINIVASA: Okay. Now, from -- there are eight remotes distributed -- you have, again, two fibers coming in from the remote to the central office?
MR. BORDERS: Yes, sir.
MR. SRINIVASA: At the central office, somewhere all of those fiberoptic cables are terminated onto some sort of the optoelectronic equipment?
MR. BORDERS: Well, they come into an OC3C and are integrated into the -- electronically into the switch or the ATM.
MR. SRINIVASA: Oh, so the ATM has a direct optical interface?
MR. BORDERS: Yes, sir.
MR. SRINIVASA: So it's at a sonnet speed that's coming back from the remote unit?

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MR. BORDERS: Yes, sir.
MR. SRINIVASA: Now, how is the DSL service -- what flavor of DSL service are you providing?
MR. BORDERS: Well, it's a form of ADSL actually.
MR. SRINIVASA: It's asymmetric in nature, two different speeds?
MR. BORDERS: Well, the -- actually, since it comes over -- it's over the video channel, it is still -- it's a -- it's still a VDSL. But the -- I'll get this out -- but the modem that is used in the residence is -- you know, is different than you would use in a standard setup for ADSL.
MR. SRINIVASA: So it's a different transceiver which is -- which -- it's not quite ADSL which conforms to the ANSI standard. So it is -- is it a standardized -- or is there any standard for that particular service?
MR. BORDERS: Well, the -- all of the equipment is manufacture discontinued, and that one of the things that's happening is they're trying to determine what medium they're

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going to go to since Lucent will no longer support the product. So everything was specific to the Richardson trial, even the modems that were used to provide the data service.
And, you know -- so, specifically, you know, to get as far into the technical aspect of it, I didn't want you to deceive you and make you think that it was an ADSL product, because actually that whenever you speak to people who are involved with the -- with the -- it's a VDSL product.
MR. SRINIVASA: To those subscribers that are receiving this service, is that the only access -- I mean, like fiber and a combination of coax and twisted pair? Is it only access media?
MR. BORDERS: Yes, sir. What happened was, is when we went to the City of Richardson to discuss using them for the trial, one of the things was, was that we remove all of the aerial cables and cross-connect boxes and pull all the pedestals in the residential areas.
MR. SRINIVASA: So the twisted pair, copper, all of that has been pulled out?
MR. BORDERS: Well, the terminals,

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there may be pieces of it cut dead in the underground, in the neighborhood, you know, that it's been abandoned. For but for all practical purposes, it was either removed or chopped up by the placement of the fiber.
MR. SRINIVASA: Is this the Mira Vista (phonetic) subdivision?
MR. BORDERS: No, sir. That's over in Fort Worth, I believe.
MR. SRINIVASA: There was another trial there --
MR. BORDERS: There was another trial, yes, sir. An early trial for providing telephone and video and data services.
MR. DRAKE: William Drake, WorldCom. The voice set at that line is over fiber?
MR. BORDERS: Yes, sir.
MR. DRAKE: So that is a derived voice; that is not a lifeline voice. Correct?
MR. BORDERS: I would think, since it's over fiber.
MR. DRAKE: That's very good.
MR. BORDERS: I don't think that it's -- how it could be but be a reproduction.

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MR. BORDERS: Well, they found that they could use -- it was a standard telephone drop, and some subscribers could be fed by just the telephone drop. Others had to have, because of a distance from an ONU, had to be fed by a coaxial cable, yes, sir.

MR. SRINIVASA: That's for the cable. Cable TV signals are separated from telephone signals with the one --

MR. BORDERS: Well, no, they're separated actually at the subscriber's house.

MR. SRINIVASA: Oh, so there is another electronic device at the back of the customer -- from the customer premise?

MR. BORDERS: It comes out on two fibers. The cable TV and the telephone leave the office on separate fibers. Then they're combined at the remote, and then they leave on a single fiber at the remote.

MR. SRINIVASA: Oh, again, it's a fiber from -- when you say "remote," it's not to the curb?

MR. BORDERS: Well, no. It's -- there's -- a remote -- there are eight remotes placed -- scattered around Richardson where the

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fiber is integrated into the -- into the remote unit itself, and then it combines a signal and sends them out to the different if ONUs for the subscriber.

MR. SRINIVASA: Oh, so remotes are ahead of --

MR. BORDERS: Right.

MR. SRINIVASA: -- is what you're talking about?

MR. BORDERS: They're in the chain. It's just like, you know, if you would, you know, think of it as copper there'd be a -- our remotes now or a cross-connect box, and then the -- I'm going to say it was a fiber distribution, except there's no break in it. It's all integrated.

MR. SRINIVASA: Okay. So to the ONU, optical network unit, the transmission media is still fiberoptic?

MR. BORDERS: Yes, sir.

MR. SRINIVASA: Okay. From the ONU to the customer premise, it could be coaxial cable or twisted pair copper depending on the distance --

MR. BORDERS: Absolutely.

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Distance, yes, sir.

MR. SRINIVASA: -- to the customer premise?

MR. BORDERS: Right.

MR. SRINIVASA: Now, you went -- on the twisted pair, both the video -- cable TV and telephony coexist up to a certain distance?

MR. BORDERS: Yes, sir.

MR. SRINIVASA: Then there's another electronic device that breaks it apart -- another signal goes into a coaxial cable like cable TV outlets and another one goes into the telephone outlet. Is that correct?

MR. BORDERS: That's correct.

MR. SRINIVASA: Is that equipment provided by Southwestern Bell, also, or is it a checked out box?

MR. BORDERS: No, the splitter originally was provided by Southwestern Bell.

MR. SRINIVASA: Okay. So there is like an AC -- you have to get a power source. It's plugged into an electrical outlet, and it's either mounted -- you know, weather-proof housing at the back of the house, or it could be located inside the house?

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MR. BORDERS: Absolutely. But it's totally integrated. There's no breaks in it where you could -- except at the ONU where you could unbundle it.

MR. SRINIVASA: Now, how does the DSL service come into play in here if one of those subscribers, you know, in addition to the cable TV, instead of just plain old telephone service, if they wanted DSL? Are you providing it to them?

MR. BORDERS: Well, we got out of the cable TV business.

MR. SRINIVASA: Oh, okay.

MR. BORDERS: And so what has happened is that the bandwidth that had been providing cable TV, if a customer orders DSL, that's what they'll use. And that comes back -- like I said, it's combined until it hits the remote. Then it's split at the remote, and then the high portion of the bandwidth and the voice are separated, come in on different fibers. The low band goes into the CO into the switch, and the high band goes -- is integrated into an ATM.

MR. SRINIVASA: Okay. So essentially this DSL service is being

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MR. BORDERS: No, sir. Actually it's at the -- of the -- you have a splitter at the customer's premise.
MR. SRINIVASA: But then how do they get up to the ATM?
MR. BOWEN: It comes right out of their computer at a very fast rate. You don't need to DSLAM it because there's no copper that it's riding basically, or very little copper that it's riding.
MR. SRINIVASA: Okay. So this OC -- okay. This fiberoptics, it's operating at the sonnet speed. Right?
MR. BOWEN: No, it will operate at -- it's choked down to a 1.5 to 6 megabyte downstream byte stream. But it's operated at a DS -- I mean, you can run coax in an office at DS3.
So I think what's happening -- what I'm hearing is that coming out of the house either you have short twisted pair copper or longer coax, but either one of those will certainly support, you know, for ADSL. And, therefore, you don't need to have any kind of line coding, a la, DSLAMing between the house

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and the pedestal which is in your backyard or pretty close it to. So you're coming right out of your machine at, you know, whatever rate the system will support.
MR. SRINIVASA: Okay. And so at the remote transmitter site, you're somehow -- you're multiplexing all these signals and sending it onto a higher speed?
MR. BOWEN: This is the special modem you're talking about, right? Basically it sits in your house and says, "Okay. I'm going to present this bit stream to the serving fiber coax or whatever it is."
MR. BORDERS: The only problem -- now, we do have a resell product that's offered through this, but this technology is all manufacture discontinued.
MR. SRINIVASA: How do you support -- I mean, when you say, "manufacture discontinued," you still have spare parts if there's a problem?
MR. BORDERS: We still have spare parts at this time, but Lucent has told us they will no longer support the technology. And so we have to take a look for an alternate way that

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we're going to serve it.
MS. GENTRY: Well, I think that I have some more clarifying questions. Let me start with where I was. I understand that you may not know about 10,000 additional loops. I obviously would like you to check in that, and we found the Web site. Ed Risner, Managing Director of Technology, is the person that was quoted so --
MR. BORDERS: Well, I spoke to the area manager in -- you know, over engineering, and he has no knowledge of any additional deployment in the Richardson area.
MS. GENTRY: Okay. All I'm going to tell you is, I'm reading an article that's quoting Ed Risner. So all I'm asking is that SBC, if they can please confirm inside. If they're going to add 10,000 customers like you've been quoted in a national article -- this was a report commissioned by the President of the United States.
So, whatever the validity of your statement, I'm asking you to verify, confirm back to the Commission in some kind of a very short turnaround. Are you doing 10,000 more

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customers in Richardson? Are you putting on the existing technology, which is -- be it manufacture discontinued or not, what technology are you putting the 10,000 on?
Now, expanding where you were, sir, is we were talking about the 30,000. The 30,000 customers was as -- at -- per Betty Schlackman, as of 1994, her comment when she told us this --
MR. SRINIVASA: Is Betty Schlackman a Southwestern Bell employee?
MS. GENTRY: Yes, she is.
MR. SRINIVASA: She's not here?
MS. GENTRY: She was the product manager -- she said she was the product manager that was responsible for this project in 1994. I had difficulty pronouncing her name when we were here three weeks ago. She was supposed to come to the meeting. She was reassigned to something else that week, and she's not here this week either.
So we don't have the old subject matter expert unfortunately with us, but when she was discussing this with the line sharing group, it came up because we were talking about

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MR. DRAKE: All right. So if you lost electricity, you would not have a copper path to support a lifeline voice?
MR. SRINIVASA: Or do you have battery backups at each end of the ONUs for eight hours?
MR. BORDERS: At the RTs, I believe there is batteries.
MR. SRINIVASA: Eight hour backup?
MR. BORDERS: I couldn't say exactly how long, but that's our standard is eight hours.
MR. SRINIVASA: Okay. The ONU is not driving any power. Right?
MR. BORDERS: No, sir. It's fed by the RT.
MR. SRINIVASA: So there is -- it's not -- there is a copper cable also extending from RT to the ONU to take either DC power or whatever power is extended to that?
MR. BORDERS: No, sir. There's no -- to the remote -- to the ONU is all fiber.
MR. SRINIVASA: How do you power the electronics in the ONU? Oh, it's -- it's commercial power?

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MR. BORDERS: Yes, sir.
MR. SRINIVASA: So there is an AC source somewhere at the ONU?
MR. BORDERS: There has to be, yes, sir.
MR. SRINIVASA: If there is a power outage, that means that they do not have telephone service?
MR. BORDERS: I do not know -- I don't know the backup information on that, no, sir. I've never discussed that with anyone or read any documentation about it.
MS. CHAPMAN: Well, I live in Richardson, and I've never noticed not having phone service during a power outage, but --
MR. SRINIVASA: Are you receiving service through fiber?
MS. CHAPMAN: Yes.
MR. SRINIVASA: And if there was a commercial power outage, you still had telephone service?
MS. CHAPMAN: I believe I have, yes. I believe I've used my phone during a power outage before but --
MR. SRINIVASA: Okay. Can you

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verify -- provide some information to us on that?
MR. BORDERS: Oh, absolutely. Sure. Absolutely.
MS. GENTRY: Can I ask a clarifying question then? I mentioned to you that I just realized that you're now going to add 10,000 additional customers to the Richardson area. Are you going to use your existing technology, the one that you've just been discussing, or are you going to use some alternative technology?
MR. BORDERS: I can't speak to the article you talk about because it's -- the system in Richardson is closed as far as any new deployments. So I don't know what the person is talking about because of -- you know, I had a conversation with the engineer, the area manager engineering over that area, and he -- the -- it's closed -- the platform is closed.
We still add subscribers because we had to cable all of the neighborhoods. Whether there were houses there or not, we had to cable. You know, it was one of the requirements with Richardson. Also, was the

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platform in the office. So, virtually, all of the cable was placed in one operation in '94 and '95.
MR. BOWEN: Okay. So this is one -- is it one central office that's serving --
MR. BORDERS: Yes.
MR. BOWEN: -- eight RTs?
MR. BORDERS: Yes.
MR. BOWEN: And my understanding is that you guys are using -- even though it's VDSL serving technology which would support like a DS3 level pipe, you're using it for ADSL?
MR. BORDERS: That's correct.
MR. BOWEN: We also are interested in getting, you know, some kind of UNE loop on this, and it seems to me, you know, given the way ADSL is served, it's served using, you know, ATM cell technology. We would be happy to take permanent virtual circuits handed off in an OCD port or an ATM port on the serving ATM switch, and that will work just fine.
MR. SRINIVASA: Well, essentially what is happening there is the DSLAM is located at the customer premise.

access to these loops. She said the number of 30,000 was as of 1994. She fully expected that that would have increased. She did not know how many.

She gave us the actual zip codes that were affected in Richardson. I have the zip codes. I can read them off for you in a few moments. Because she said it was restricted to a certain area, the only way these customers could have service is through this technology. They have no way of having an alternative provider unless someone lays brand new facilities throughout every one of these neighborhoods. So it is an incumbent technology.

So multiple things: I would like to know how new customers -- so if the neighbor next door -- or he rents out his basement, and they want phone service in, they only have the facilities that are provided by SBC which happens to be fiber to the curb. So every one of those zip codes have to have this old fiber technology, is the way that she was describing it.

You have a potential for new

customers as they built more housing development. Certainly in the last six years they've put in more houses in those same zip codes. They were also going to be provided by that old technology, and then we had the question of 10,000 additional customers. I need to know are those in the same five zip codes, or are they in some other portion of the Richardson area? Because it feels like it's expanding.

MR. SRINIVASA: Before we get to that 30,000, what are -- you know, that are zip codes -- for those zip codes they have this type of network architecture extended out --

MS. GENTRY: Yes.

MR. SRINIVASA: Now, the number of subscribers may go up or go down. We don't know how many are going to move into those zip codes. That being the case now, how do you envision unbundling this?

MS. GENTRY: Well, I guess -- and certainly there's technical reasons. My issue is that these -- the ADSL product will now be provided by ASI, the subsidiary. I have a concern that ASI as a subsidiary will have an opportunity to sell ADSL services to a very

exclusive group of customers that happens to be a group of -- a residential area that is highly technical by the nature of where it's at. It's kind of a draw to that type of people because of the industry there, that they have an exclusive opportunity to sell ADSL to a minimum of 30,000 customer base. And they know exactly which ones they are by zip codes so it gives them every marketing opportunity, and we -- no one else could even get an unbundled loop, let alone a DSL service. I'm questioning the competitive capability of that.

MR. SRINIVASA: Well, I'm trying to see the technical feasibility of unbundling this. How do you unbundle it? You know, if it needs to be unbundled, say, for example, of those 30,000 subscribers who are connected with this network topology, they are captive to that topology. Now, if it needs to be unbundled, some competitor wants to provide and use that part of that network, how can it be done technically?

MR. BOWEN: Let me tell you what you can't do first of all. You can't take this serving topology as it's now configured and

provide whatever flavor you want of DSL. For example, you can't provide SDSL or anything besides what they are providing right now because of the integration.

What they are providing right now though is something that we want. That is, they're providing ADSL which is an ATM-based technology, and in this case, it's ATM all the way from the customer premises all the way to the -- in effect, the ATM switch or router in the central office. It comes --

MR. SRINIVASA: Who's -- it's Southwestern Bell's ATM switch?

MR. BOWEN: Well, yes. Well, this is a question I guess that I have because under the merger conditions that apply to the SBC acquisition of Ameritech, they aren't allowed to own advanced services equipment. So they must have gotten some kind of waiver for this trial or must have been grandfathered.

They, of course, did ask for a waiver when it came to owning newly deployed so-called OCDs, optical concentration devices, which are also ATM switches and the line cards and the next generation remote terminals. But